CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY SEVENTH PARLIAMENT

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ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
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23033—418½

HOUSE OF COMMONS

Monday, June 20, 1966

The house met at 2.30 p.m.

TRADE

RUSSIA—EXTENSION OF AGREEMENT AND FURTHER WHEAT SALE

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, today in Moscow the Minister of Trade and Commerce has signed on behalf of Canada a protocol extending the Canada-U.S.S.R. trade agreement for a further period of three years. The agreement, which will now expire on April 17, 1969, is subject to renewal by mutual consent.

At the same time the Canadian Wheat Board has entered into a contract with Exportkhleb, the Soviet grain trading agency, for the sale of 9 million long tons or about 336 million bushels of Canadian wheat and flour for shipment during the three crop years commencing August 1, 1966.

Some hon. Members: Hear, hear.

Mr. Sharp: No intergovernmental credit arrangements are involved.

As part of this over-all arrangement the wheat board has concluded a specific contract with Exportkhleb providing for shipment of 3 million long tons, about 112 million bushels, of wheat and flour during the crop year August 1, 1966 to July 31, 1967.

This is the largest three year commercial contract for a fixed quantity of Canadian wheat and flour ever concluded. Since 1963 the U.S.S.R. has purchased 478 million bushels, valued at approximately $1 billion. The new three year contract worth approximately $800 million will bring Soviet purchases to about 814 million bushels since 1963.

The trade agreement between Canada and the U.S.S.R. provides for continued exchange of most favoured nation treatment between the two countries. Under the protocol agreed to today the two governments undertake to continue to give sympathetic consideration to any representations which either government may make concerning implementation of the agreement or other matters affecting their commercial relations. The two governments have also renewed their undertaking to facilitate visits for business purposes between Canada and the U.S.S.R.

The Canadian Minister of Trade and Commerce and the Minister of Foreign Trade of the U.S.S.R. have also exchanged letters concerning their discussions of trade relations and noted the importance attached by the government of the U.S.S.R. to expanding its exports to Canada. During the negotiations the delegations of Canada and the U.S.S.R. carried out a detailed review of trade between the two countries. It has been agreed that the trading framework which has been established should provide increasing opportunities for further development of mutually advantageous trade.

I am sure all members of the house will share the pleasure expressed by the Minister of Trade and Commerce in Moscow that these negotiations have been brought to a successful conclusion. It is most gratifying that the U.S.S.R. has again decided to purchase such substantial quantities of wheat. The impact of this record sale and the assurance it gives for the marketing of Canadian wheat and flour will extend throughout Canada, and will be felt not only by wheat farmers and millers but by grain handlers, longshoremen, elevator companies, railways, shipping companies and the economy generally.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this further evidence of trade in wheat with the U.S.S.R. is a continuation of a policy which during our period of office we brought about on a credit basis with communist China, and which was so widely criticized by hon. gentlemen sitting opposite.

• (2:40 p.m.)

We do not take that stand, however. We are appreciative of the fact that with an increasing world demand for wheat, wheat is indeed king among cereals. We will be interested to learn the price. We know the contract will continue over a period of years, but within the last year and a half Canada's wheat prices were reduced by approximately 17 cents a bushel. While not wishing to do anything that would bring about an acceleration of the inflation that is with us, I wish to

point out that wheat farmers deserve higher prices than they are receiving at the present time when regard is given to increasing costs. I hope there will be provision within the agreement entered into for increase in prices, otherwise this agreement will not give to the wheat producing farmers the benefit that it should.

My second point deals with the question of the transportation of this wheat. In the last contract that was entered into with the U.S.S.R. no provision was made for the use of the Hudson bay route. That route should be used, because it would place several cents a bushel in the pockets of the western farmer.

There are two matters then on which we require information. One is the price to be paid, whether regard has been given to the increasing cost of production to which our farmers are subjected. The other matter is whether provision will be made for the maximum use of the Hudson Bay route, thereby enabling a larger share of the ultimate return to be available to the producer.

As far as the sale is concerned, it is a large one and one that will command universal support. It is not for me at this time to make any further suggestions. On a later occasion, and in connection with the wheat board, I will deal with what the Minister of Agriculture said in western Canada, that in his opinion the time had come for the transfer of the wheat board to the Department of Agriculture. However, that will be a subject by itself.

Mr. David Lewis (York South): On behalf of our party I wish to welcome the news, as does every other member in the house, and indeed I go further and congratulate those who negotiated this agreement on Canada's behalf.

I wish to add a few words to say, first, that it seems to us these energetic attempts at establishing trade with the Soviet union should be extended to all the countries in eastern Europe and in that general bloc. Second, I know of no better way to improve possibilities for achieving peace in the world than by increasing the trade of other countries in the west and particularly of our country with the Asian, African and European countries whose systems are different from our own. It has always been the position of our party that the path to peace in the world lies in economic co-operation much more than in military threat. I am therefore glad to welcome this deal not only for the sake of the farmers but also for the sake of the future of the world.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are also happy to note that Canada has achieved such a wheat sale. But there is one thing about which I feel I must blame the Minister of Finance (Mr. Sharp); it is that we have received copy of his statement in English only, whereas all the other ministers usually provide us with a French copy of the text they are reading in English. In the future I think we would be pleased if the Minister of Finance could provide us with a copy of his statement in French as he does in English.

Another point, Mr. Speaker. At a time when the Minister of Finance announces that hundreds of million dollars worth of wheat are being sold to Russia, indications are that the Canadian trade deficit is getting larger all the time. We had a trade deficit when we did not have these wheat sales and today, in spite of these large foreign sales, the trade deficit is getting larger. It seems to me that while we are rejoicing that Canada has secured such important amounts as one billion dollars, or more precisely $814 million, the minister should make sure that we avoid paying out so much in dividends, interests or outgoing profits in order that our balance of international payments may show a surplus instead of a deficit. With such exports it is difficult to understand why we should have a trade deficit. It seems to me that the Minister of Finance, whose function it is to improve the economic position of Canada and who states that the contract with Russia will benefit the economy of the country, should also see to it that our trade balance gets back on its feet and show a surplus in the future.

So, we welcome this big deal with Russia and we hope that the same thing will be achieved with other countries. We have quantities of products in Canada, we probably have more resources than any other country in the world and, on the other hand, a number of countries need our natural resources. Therefore, we hope that such contracts will be maintained and extended, in quantities as well as in quality.

[*English*]

Mr. H. A. Olson (Medicine Hat): We welcome the announcement of the protocol, Mr. Speaker, extending the trade agreement for three years, and the announcement of a further wheat sale over three years, with the

contract for the first year involving some 112 million bushels of wheat, for a number of reasons. The first is that a three year term is going to put a measure of stability into the wheat market for the future which I am sure the farmers, flour millers and people involved in the transport of this commodity will welcome. I think the flour milling industry particularly will welcome this announcement. Although the minister did not say how much flour was involved in the whole contract, I hope it is substantial. During the past few weeks some of the mills in Canada have been operating at something less than 50 per cent of their capacity. Any additional orders, therefore, to which they might look forward after August 1 will certainly be welcomed not only by the mill owners but by the workers as well.

We are not clear what the minister intended by the words "other mutually advantageous trade". I suppose this is not the time to go into the details of what these other trading relations or trading matters involve, but we would be very interested in knowing what other commodities are involved in this term.

I should like to say also, Mr. Speaker, that I believe the time has come when the Canadian Wheat Board and other participants in the international wheat agreement should have a good long look at the price. This afternoon the Leader of the Opposition mentioned, and I think the minister would agree, that there has not been a rise in the price of wheat to the farmers in line with the increased cost of production that has manifested itself recently. I believe the farmers are entitled to have some increase in their returns to match rising costs. Perhaps at the next meeting of the international wheat agreement countries a price increase will be considered to be justified.

We welcome the announcement, Mr. Speaker, and we hope there will be co-operation from the elevator companies, the railways and other people involved in transporting this wheat into export position so that we can make the deliveries on time.

• (2:50 p.m.)

COMMITTEES OF THE HOUSE

HEALTH AND WELFARE—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. C. Harley (Halton) moved that the first report of the standing committee on health and welfare, presented to the house on Thursday, June 16, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): On division, Mr. Speaker, because we are opposed to reducing the quorum.

[*English*]

Motion agreed to on division.

DRUG COSTS AND PRICES—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. C. Harley (Halton) moved that the first report of the special committee on drug costs and prices, presented to the house on Friday, June 17, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): On division, Mr. Speaker.

[*English*]

Motion agreed to on division.

INDIAN ACT

AMENDMENTS DELETING PROVISIONS RESPECTING LIQUOR

Mr. John M. Reid (Kenora-Rainy River) moved for leave to introduce Bill No. C-203, to amend the Indian Act.

Some hon. Members: Explain.

Mr. Reid: Mr. Speaker, the purpose of this bill is to delete those sections of the Indian Act which deal with the sale of liquor to Indians, the possession of liquor by an Indian on or off the reserve, and other similar offences. In my opinion, Mr. Speaker, these sections are discriminatory and should be removed. I intend to request at a later time that this bill be referred to the standing committee on Indian affairs, human rights and citizenship and immigration for consideration.

Motion agreed to and bill read the first time.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

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

That it is expedient to introduce a measure to provide for the decennial revision of the Bank Act

and the extension of the charters of the existing chartered banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

QUEBEC SAVINGS BANKS ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

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

That it is expedient to increase a measure to provide for the decennial revision of the Quebec Savings Banks Act and the extension of the powers of the existing savings banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

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

That it is expedient to introduce a measure to amend the Crop Insurance Act to increase the maximum contribution payable by Canada on crop insurance premiums; to increase the maximum amount of the insurance that may be effected on any crop; to authorize the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees or perennial plants or losses arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excessive ground moisture, weather or other agricultural hazards; to provide further for consequential amendments in connection with the administration of the act.

Motion agreed to.

ATLANTIC DEVELOPMENT BOARD ACT

INCREASE IN FUNDS AVAILABLE, EXTENSION OF AUTHORITY, ETC.

Hon. J. W. Pickersgill (Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Atlantic Development Board Act to increase the aggregate of the amounts that the Minister of Finance may credit to the Atlantic development fund from one hundred million dollars to one hundred and fifty million dollars, to extend the authority of the Atlantic Development Board to undertake projects alone or jointly with provinces or agencies thereof or other persons and to provide that any revenues received by the board from projects undertaken or financed by it may be credited to the said fund and expended for the purposes for which the fund is established.

[Mr. McIlraith.]

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PROTESTS AGAINST SEAL KILLING

Question No. 1,474—**Mr. Scott (Danforth):**—*Supplementary*

Has the government received representations, letters or cards in protest against the methods being used for the killing of baby seals in the annual seal hunt off the eastern coasts of Canada and, if so (a) how many such requests, protests, etc., have been received by either the Prime Minister or the Minister of Fisheries, or any government department (b) what action does the government plan in response to any such protests or representations?

Hon. H. J. Robichaud (Minister of Fisheries): Supplementary information: (a) 15,877 postcards were also received.

AIR CANADA—ACQUISITION AND DISPOSAL OF AIRCRAFT

Question No. 1,554—**Mr. Irvine:**

1. Have any DC-9's been ordered to date for service of Air Canada and, if so (a) how many such aircraft have been delivered and on what dates (b) when is the balance of any such orders for these aircraft scheduled to be delivered (c) on what runs is it proposed that they be assigned, and on what date?

2. Is it the intention that certain numbers of Viscounts and Vanguards will be taken off service and disposed of and, if so, how many of each?

3. What is the total number of Viscounts, Vanguards and DC-8's now in service, and what are the ages of each?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. Yes.

(a) Total of four delivered, January 6, 1966; February 10, 1966; February 25, 1966; April 12, 1966.

(b) Balance of 14 aircraft to be delivered, June 1966, 1; July 1966, 1; January 1967, 2;

February 1967, 2; March, 1967, 2; April 1967, 3; May 1967 , 2; June 1967, 1.

(c)

Planned Introductory date	Route
April 24, 1966	Montreal-Winnipeg
April 24, 1966	Montreal-New York
June 1, 1966	Montreal-Toronto-Tampa
July 1, 1966	Toronto-Winnipeg
August 1, 1966	Montreal-Toronto-Tampa-Miami
August 1, 1966	Winnipeg-Calgary
August 1, 1966	Winnipeg-Edmonton
August 1, 1966	Montreal-Ottawa-Winnipeg
November 1, 1966	Toronto-New York
November 1, 1966	Toronto-Halifax
May 1, 1967	Winnipeg-Regina-Calgary-Vancouver
May 1, 1967	Winnipeg-Saskatoon-Edmonton
May 1, 1967	Toronto-Chicago
June 1, 1967	Montreal-Chicago
June 1, 1967	Montreal-Halifax
June 1, 1967	Montreal-St. John's, Nfld.
June 1, 1967	Cleveland-Toronto

2. There are no immediate plans at present for removal of Vanguard or Viscount aircraft from Air Canada service.

3. As at May 31, 1966, there are 18 DC-8s, 23 Vanguards and 39 Viscounts in service.

Their delivery dates were as follows:

DC-8	Vanguard	Viscount
1960— 7	1960— 2	1955— 5
1961— 4	1961—18	1956— 3
1963— 3	1962— 2	1957—12
1964— 2	1964— 1	1958—15
1966— 2		1959— 4
—	—	—
18	23	39

ADVERTISING OF INCOME TAX DEADLINE

Question No. 1,555—**Mr. Knowles:**

With reference to the answer to part 3 of question No. 1,320, recorded in *Hansard* of May 25, 1966, what is the assessment of the value of the advertising of April 30 as the deadline for filing personal income tax returns?

Hon. E. J. Benson (Minister of National Revenue): Canadians are reminded each year of the approaching April 30 deadline for the filing of income tax returns and payment of moneys due to the crown. Inasmuch as penalties are levied against those who file after the due date and who have not made the necessary payments, it is considered an obligation on the part of the Department of National Revenue to remind all taxpayers of the deadline. This notice usually forms part of the informational program conducted during the filing season, part of the program being paid advertising.

Figures for the last two filing years for late filing of returns as of December 31, are:

T1 Shorts

1964 (1963 tax year) 205,000 out of 5,300,000
1965 (1964 tax year) 154,000 out of 5,600,000

T1 Generals

1964 (1963 tax year) 111,600 out of 1,165,000
1965 (1964 tax year) 102,500 out of 1,247,000

RESIGNATION OF AMBASSADOR TO GREECE

Question No. 1,562—**Mr. Allard:**

1. Has the Secretary of State for External Affairs received a copy of a manuscript of the memoirs of Mr. Antonio Barrette, Canadian Ambassador to Greece and, if so, when?

2. Has Mr. Barrette tendered his resignation to the government and, if so, what reasons did he give for such resignation?

3. Is it the intention of the government to appoint Mr. Barrette to another position within or outside Canada?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Mr. Barrette sent to the Department of External Affairs, in two parts, the manuscript of his memoirs: the first part was received at the end of July 1965, the second on August 17, 1965.

2. Under the regulations of the Department of External Affairs no member of the department can without prior permission publish articles or books or make public statements even in his private capacity; permission cannot be granted if the articles or books or statements concerned can give rise to political controversy. Since the department's opinion, which had informally been passed on to him on August 11, 1965 and confirmed on January 31, 1966 was that Mr. Barrette's memoirs came within the terms of the regulations and that permission to publish them could not be granted, he asked, on April 25,

1966 to be relieved of his functions of Canadian Ambassador to Greece and his request was granted on May 5.

3. No.

[*English*]

ATLANTIC PROVINCES AIRPORT FACILITIES

Question No. 1,589—**Mr. MacLean (Queens):**

1. How many airports operated by the Department of Transport in the Atlantic provinces have runways and other facilities adequate to accommodate the DC-9 aircraft as used for normal scheduled commercial flights?

2. What other airports in the Atlantic provinces, if any, have runways and other facilities adequate to accommodate the DC-9 aircraft as used for normal scheduled commercial flights?

3. What airports in the Atlantic provinces are to be brought up to the standards required with regard to runways and other facilities adequate to accommodate the DC-9 aircraft in the fiscal year 1966-67?

4. What airports in the Atlantic Provinces are to be brought up to the standards required with regard to the DC-9 aircraft in the fiscal year 1967-68?

5. On what date does Air Canada plan to start operating DC-9 aircraft to the Atlantic provinces, and what points will be served (a) in the present fiscal year (b) in the next fiscal year?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. 10 for DC-9; Gander; Sydney; Halifax; Charlottetown; Stephenville. 5 for DC-9-32: Gander; Sydney; Halifax; Charlottetown; Stephenville. 10 for DC-9: Deer Lake; Fredericton; Yarmouth; St. John's, Nfld.; Moncton.

2. Chatham, N.B. operated by D.N.D. Summerside, P.E.I. operated by D.N.D. Greenwood, N.S. operated by D.N.D. Argentia, Nfld. operated by United States. Saint John, N.B. operated by municipality.

3. No additional presently planned.

4. Subject to the availability of funds runway extensions at the following airports are under consideration commencing in the fiscal year 1967-68 or thereafter to meet the requirements of the DC-9-32: Fredericton; Yarmouth; St. John's, Nfld.; Moncton.

5. June 1, 1967, Montreal-Halifax, N.S. June 1, 1967, Montreal-St. John's, Nfld.

INCOME TAX ADVERTISING COST

Question No. 1,591—**Mr. Mather:**

What was the cost, in dollars, of the advertising campaign aimed at popularizing or expediting income tax payments?

Hon. E. J. Benson (Minister of National Revenue): $221,905.

[Mr. Martin (Essex East).]

DECORATIONS ACCEPTED BY MACKENZIE KING

Question No. 1,596—**Mr. Herridge:**

Were any orders or decorations accepted by the former prime minister, the Right Honourable William Lyon Mackenzie King, from Great Britain or other countries, from January 1, 1939 until January 1, 1949 and, if so, what were they?

Hon. Judy V. LaMarsh (Secretary of State): In 1947 the former Prime Minister, Right Hon. William Lyon Mackenzie King, accepted from His Majesty King George VI the Order of Merit which is a personal award of the Sovereign.

FAMILY INCOMES OF STUDENT LOAN RECIPIENTS

Question No. 1,614—**Mr. Reid:**

What is the correlation between the average annual family income and the students taking out loans from the federal student loan plan since the beginning of its operation?

Hon. Mitchell Sharp (Minister of Finance): Information on the annual income of a student and his family is not available to the federal government. The financial information relevant to a student's need for a loan is provided on a confidential basis in connection with a student's application for a certificate of eligibility which must be issued by a participating province before a loan can be obtained.

INDIAN AFFAIRS BRANCH TEACHERS

Question No. 1,617—**Mr. Orlikow:**

Of the 1489 teachers employed by the Indian affairs branch in the 1965-66 year, how many of the teachers were in the classification of (a) teacher aide or unqualified teacher who had no professional teacher training (b) the sub-level who had only junior matriculation education and one year of teacher education (c) level 1 who had senior matriculation and one year of teacher education (d) level 2 who had senior matriculation and two years of teacher education (e) level 3 who had senior matriculation and three years of teacher education (f) level 4 who had senior matriculation and four years of teacher education (g) level 5 who had senior matriculation and five years of teacher education (h) level 6 who had senior matriculation and six years of teacher education?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. (a) 109; (b) 193; (c) 613; (d) 241; (e) 104; (f) 150; (g) 59; (h) 20.

C.M.H.C. INTEREST AND REPAYMENT RATES

Question No. 1,624—**Mr. Herridge:**

What are the rates of interest and repayment terms extended by Central Mortgage and Housing Corporation to the following (a) home builders (b) apartment blocks or other business premises (c) other institutions?

Hon. J. R. Nicholson (Minister of Labour): The current maximum rates of interest payable by borrowers in respect of loans made under the N.H.A. are as follows: (a) If made to a home builder, 6¾ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 35 years. (b) If made on apartment blocks, 6¾ per cent per annum computed semi-annually and not in advance. The maximum repayment terms is up to 35 years. (c) If made under the provisions of section 16 to a limited dividend company or under section 16A to a non-profit corporation to provide housing for individuals or families of low income, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 50 years.

If made under the provisions of section 35D to a province, municipality or public housing agency for the construction or acquisition of a public housing project, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 50 years.

If made under section 35C to a province, municipality or public housing agency to acquire and service land for public housing purposes, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 15 years.

If made under section 36B to a university, a co-operative association or a charitable organization for a university housing project to provide university students and their families with housing accommodation, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 50 years.

If made under section 36F to a province, municipality or municipal sewerage corporation for the construction or expansion of a sewage treatment project, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is up to 50 years.

If made under section 8 to a co-operative housing association to provide family housing accommodation for its members or shareholders, 6¾ per cent per annum computed semi-annually and not in advance. The maximum repayment term is 35 years.

If made under section 23C to a province or municipality to assist in the implementation of an urban renewal scheme, 5⅞ per cent per annum computed semi-annually and not in advance. The maximum repayment term is 15 years.

If made under section 23D by an approved lender to the owner of a housing project located in an urban renewal area, 6¾ per cent. The maximum repayment term is 25 years.

APPLICATIONS UNDER MANPOWER MOBILITY PROGRAM

Question No. 1,634—**Mr. Coates:**

1. Have any applications been received as of this date by applicants for either grants or loans under the manpower mobility program and, if so, how many?

2. Have any applications been approved and, if so (a) how many (b) what is the breakdown for each of the provinces in Canada?

3. Were any individuals moved to new employment from Newfoundland as a result of the special applications of this program to the Wabana Iron mine closure and, if so (a) how many (b) to what provinces were these employees moved?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Yes, from the effective date of the program, 28 December 1965, to 3 June 1966, 944 applications for loans and 691 applications for grants have been received.

2. Yes, from the effective date of the program, 28 December 1965, to 3 June 1966: (a) 628 applications for loans and 360 applications for grants have been approved; (b) the number of approved applications by provinces is:

Province	Loans	Grants
Newfoundland	37	34
Prince Edward Island	7	6
New Brunswick	4	4
Nova Scotia	74	35
Quebec	70	55
Ontario	332	154
Manitoba	12	23
Saskatchewan	2	3
Alberta	18	13
British Columbia	72	33

Questions

3. Yes, from 2 May 1966, the effective date of the designation of Bell Island under P.C. 1966-693 of 14 April 1966, to 3 June 1966; (a) grants have been authorized for 31 employees of Wabana Mines; (b) of the 31 for whom grants have been authorized 7 have obtained employment in Newfoundland, two in Nova Scotia, 18 in Ontario and four in Saskatchewan.

CYRILLE BOND, UNEMPLOYMENT INSURANCE COMMISSION EMPLOYEE

Question No. 1,637—**Mr. Keays:**

1. Did Mr. Cyrille Bond, of Madeleine-Centre, Quebec, act as a local agent for the Unemployment Insurance Commission?

2. If not, what position did he hold in the Unemployment Insurance Commission?

3. When was he appointed to the commission?

4. Was he dismissed and, if so (a) when (b) what were the reasons for this action and upon whose recommendation (c) does the commission intend replacing him?

Hon. J. R. Nicholson (Minister of Labour): 1. Yes.

2. N/A.

3. Mr. Bond was appointed an agent on 2 April, 1963.

4 (a), (b) and (c). On 21 April, 1966, the secretary of the Unemployment Insurance Commission notified Mr. Bond that, pursuant to article 5 of the agreement made between Mr. Bond and the commission in 1963, the said agreement would be terminated effective 6 May, 1966. Mr. Bond did not perform his duties in a manner required by the commission. He will not be replaced for the present as the claims load does not indicate a need for an agent's services.

COST ESTIMATES, TRANS-CANADA HIGHWAY PROJECTS

Question No. 1,648—**Mr. Flemming:**

Is the federal government consulted regarding the cost of trans-Canada projects before tenders are called and, if not, by what means are estimates made of cost for any fiscal period?

Hon. G. J. McIlraith (Minister of Public Works): Yes.

FEDERAL BUILDING RENOVATION, OXFORD, N.S.

Question No. 1,657—**Mr. Coates:**

Are renovations planned for the federal building at Oxford, Nova Scotia and, if so (a) of what will they consist (b) when does the Department of Public Works plan to carry out the renovations (c) will public tenders be called to carry out the work?

[Mr. Munro.]

Hon. G. J. McIlraith (Minister of Public Works): No.

CONSIDERATION OF BOUNDARY TREATY OF 1909

Question No. 1,658—**Mr. Coates:**

Has the government been involved in any discussions with the government of the United States regarding the boundary treaty of 1909 and the possibility of alterations to that treaty in order to provide more effective methods to control pollution?

Hon. Paul Martin (Secretary of State for External Affairs): No.

*COMPLAINTS ABOUT C.B.C. PROGRAM "HUMAN CAMERA"

Question No. 1,686—**Mr. Rynard:**

Were any complaints received by the Secretary of State about the C.B.C. program "Human Camera" on youth produced by Beryl Fox which appeared May 29, 1966, and if so, how many?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): The answer to this question is yes. Three were received.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, before supporting that proposal, I wish to point out that on March 23 last I put Question No. 1,142 on the order paper. I wonder if the Minister of Transport (Mr. Pickersgill) could make a special effort, after three months, to answer that question?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): I will do my best, sir.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): I should like to put a question to the Secretary of State. Could the hon. lady tell me when she will be in a position to answer the questions which I placed on the order paper on April 22 and 26 respectively?

[*English*]

EXTERNAL AFFAIRS

VIET NAM—PRESENCE IN HANOI OF CHESTER RONNING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Secretary of State for External Affairs which has to do with the mystery trip of Mr. Ronning to North Viet Nam, on which

the house has had no information. Is the minister now in a position to advise the house that the reaction of the North Vietnamese government to peace feelers is one of frigid contempt; and is he not in a position to advise whether the views of the President of the United States have been brought to his attention, as expressed at a press conference on Saturday when the President said words to this effect: "I have no information that I can make available that would give any encouragement or credence to believing any disposition on the part of the North Vietnamese to negotiate". As well, as part of the general picture, in the same press conference the President indicated that the United States might be expected to accelerate and intensify its attacks on North Viet Nam.

Has Canada expressed any views in this regard to Washington? What are Canada's views in this regard?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure my right hon. friend will realize that he has asked a whole series of questions. Mr. Ronning has only just reached Ottawa. I had a first discussion with him this morning. The Prime Minister and I will have further talks with him today concerning the results of his visit. For the present I am sure it is wise to say nothing further concerning this particular phase of our continuing efforts in relation to the Viet Nam problem.

Mr. Diefenbaker: What about the questions respecting the President's indication that the United States will now accelerate its air, naval and land attacks in North Viet Nam? Has the Canadian government been in communication with the United States and expressed its view in respect to this new turn of events?

Mr. Martin (Essex East): The Canadian government has been in touch with the United States government.

Mr. Diefenbaker: That is about as far as you will get.

LABOUR CONDITIONS

REFUSAL OF B.C. LONGSHOREMEN TO WORK ON VICTORIA DAY

On the orders of the day:

Mr. David Lewis (York South): I have a question for the Minister of Labour of which I have given him notice, I hope in time. On Friday my leader, the hon. member for Burnaby-Coquitlam, asked the minister some questions with regard to ten longshoremen in Vancouver who had been brought to court on charges of violating an injunction order. At that time the minister said he would look into certain questions relating to this situation.

I should like to ask him now, in view of the fact that ten officers of the international Longshoremen's Association in Vancouver have been sentenced to fines of $500 and $400 or the alternative of three months in jail, whether the hon. gentleman is prepared to propose the necessary amendment either to the legislation or to the regulations so as to avoid the danger of court action against workers who fall within federal jurisdiction and who take advantage of the statutory holidays provided in the Canada labour code.

Hon. J. R. Nicholson (Minister of Labour): I thank the hon. member for having advised me of this question. I confess that it might be still better if I took it as notice, since as yet I do not have the reasons for the judgment of Mr. Justice Verchère who dealt with the matter. I find the forecast in this matter that I gave on Friday last was not too far out when I said the question involved was not so much one of interpretation but whether or not an order of the court had been disobeyed. I find, at least based on information I have received over the week end, that this was the case.

I might add that the union leaders appeared in court and made statements in which they said that injunctions are frustrating—this was part of a long statement—and that in order to protect themselves in this field they must reluctantly engage in civil disobedience. That, I say, seems to be a matter for the courts, because the law is still the law and must be respected. However, until I have seen the reasons for judgment of Mr. Justice Verchère and have had a chance to study them in conjunction with the debates which took place in this house and in the other place last year, when the labour code was being discussed, I do not want to give a definite answer to the hon. member's question.

Mr. Lewis: In view of the fact that the original restraining order could only have been obtained on the basis of an interpretation of the existing law—this is how the whole case arose; this is why the longshoremen were in court last Friday—would the minister consider amending the law in such a way that restraining orders of this kind would become impossible in similar cases?

Inquiries of the Ministry

Mr. Nicholson: I cannot give a definite answer to that question at this time. I do not wish to offer too much encouragement either, because I find that in the statement which was made on Friday last, at the opening of the motion, the longshoremen also said "It may be said we could have attended in court to give reasons. If we had, we would have been recognizing the right of employers to ask for mandatory orders..." With all due respect, surely the law is for the court to interpret, not the Minister of Labour. I would prefer not to give a further answer until I have the reasons of the learned judge stating his reaction toward this particular statement.

Mr. Barry Mather (New Westminster): Bearing in mind the troubled industrial relations situation in British Columbia, will the minister do his best to expedite his consideration of this matter?

Mr. Nicholson: I would be very glad to do so.

[*Translation*]

SHIPPING

OBSTRUCTIONS PLACED IN NAVIGABLE WATERS BY PULP AND PAPER COMPANIES

On the orders of the day:

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

It is an important and urgent question, in view of the fact that the shipping period is now in full swing. Can the minister tell us whether his department is taking any special steps to prevent pulp and paper companies from dumping logs and pulpwood into navigable rivers, canals and waterways?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): I will take this important question under immediate consideration and give an answer as soon as possible.

HOUSING

FORT NELSON, B.C.—REPORTED FAILURE OF C.M.H.C. TO PARTICIPATE

On the orders of the day:

Mr. Bert Leboe (Cariboo): My question is directed to the Minister of Labour in his capacity as minister responsible for Central Mortgage and Housing Corporation. Has the minister's attention been drawn to a scathing editorial in the Fort Nelson *News* concerning the lack of participation by Central Mortgage and Housing in construction activities in Fort Nelson? This is an important matter, and I hope the minister will have something to say in connection with this article.

Mr. Speaker: Order. I suggest this question be placed on the order paper, a course which might give the minister an opportunity to take notice of the matter mentioned by the hon. member.

Mr. Leboe: With all due respect, Mr. Speaker, this question is urgent and I think it should be answered now. I do not ask questions in this house very often, as you know. I am asking this one because the subject is urgent.

Mr. Speaker: Since the hon. member for Cariboo has asked the question I would be pleased to draw the conclusion that the matter is urgent.

Hon. J. R. Nicholson (Minister of Labour): I am glad Your Honour has seen fit to permit this question. This was a disturbing editorial, and one which shows how far newspapers can go off the beam, to use a colloquialism, if they do not know the real facts. This was a critical editorial stating that no National Housing Act loans had been made in the town of Fort Nelson by the national housing corporation during recent years. I should like to place on record at the earliest possible date that, contrary to the indications in the editorial, we have not had a single application for a loan under the National Housing Act from Fort Nelson for several years. Furthermore, our branch manager visited Fort Nelson in November last, at which time municipal officials indicated there was a housing slump and told him there would be no N.H.A. housing requirements. I had a conversation on these lines not too long ago with the hon. member for Cariboo confirming this, so I am sure the editorial was as much news to him as it was to me.

Our manager in Prince George has advised the editor that if indeed there are people requiring N.H.A. loans and needing information about the act, he will be glad to visit and discuss the matter with them.

TRADE

WHEAT—TERMS OF NEW AGREEMENT WITH RUSSIA

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): I would direct a question to the Minister of

Finance in the necessary absence of the Minister of Trade and Commerce. It deals with the wheat agreement with the Soviet union, announced by the minister earlier this afternoon on motions. I should like to ask whether the terms of the agreement provide any protection for wheat farmers against increases in the cost of transportation which may take place as a result of certain settlements which have been made with the seaway workers and dock workers, and which may have to be made with railroad employees.

Hon. Mitchell Sharp (Minister of Finance): I would prefer to answer this question after I have had an opportunity of talking to the chairman of the Canadian Wheat Board. I will say this, however. The only pricing which has taken place has been in respect to deliveries in the coming crop year. Prices for subsequent years are subject to negotiation.

Mr. Lambert: But the minister, as a senior member of the government, is aware of the trade agreement. Can he tell us whether there is any clause which will protect Canadian farmers against an escalation of transportation charges?

Mr. Sharp: My reluctance to answer this question stems from the fact that this is a highly technical matter. I would simply say that the price of Canadian wheat sold to the Soviet union is determined by the Canadian Wheat Board in the interests of the western farmer, and not by the government.

Mr. Thomas M. Bell (Saint John-Albert): In view of the possibility of continuing difficulties on the St. Lawrence seaway, will the minister give his personal assurance and that of the government that the dependable Atlantic ports of Saint John and Halifax will be given a good share of this wheat and flour business, in the summer as well as the winter?

Mr. Sharp: Mr. Speaker, I am happy to say that in the contract between the Canadian Wheat Board and the U.S.S.R. provision is made for shipment of wheat through all ports of Canada, including Churchill.

[*Later:*]

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the announcement he made about the sale of wheat to Russia, since Russia is a country that uses a lot of edible fats and oils would the minister not bring to the attention of the trade commission that Canada could provide them with edible oil from the rapeseed area of Canada?

Mr. Sharp: Mr. Speaker, I am very happy to say that in response to the representations not only of my hon. friend but of many others throughout this broad country, the great productive capabilities of Canada in rapeseed have been brought to the attention of the whole world including the Soviet union.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to direct a question to the Minister of Finance arising out of the statement he made earlier today, and ask him whether the amount of flour is specified in the contract and, if so, how much in each of the three years.

Mr. Sharp: Mr. Speaker, I am not in a position before the return of the Canadian Wheat Board to ascertain the exact answer to this question, but I can assure the house that provision is made for a very substantial quantity of flour in each of the three years.

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I would like to direct a question to the Minister of Finance based on his statement in regard to the new sales of grain to Russia, and that the matter of trade between our two nations will be reviewed from time to time. Can the minister state whether any definite commitment was asked for or given in regard to an increase of Russian exports to Canada and, if so, to what extent?

Mr. Sharp: Mr. Speaker, in the statement I made on motions today I quoted the exact terms of the communiqué agreed upon between the government of Canada and the U.S.S.R. through the Canadian minister and the Soviet minister. I suggest that this question be reserved until the return of the Minister of Trade and Commerce from Moscow.

CANADIAN CONSTITUTION

SUGGESTED STUDY BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Prime Minister of which I gave him notice. In the light of recent electoral developments in Quebec, and the strong views on the need

for constitutional change that have been expressed from time to time by the new prime minister of Quebec, will the government reconsider the urgency of the appointment of a committee of this house to study, from a federal viewpoint, the question of constitutional change for Canada?

Mr. Speaker: Order, please. I thank the hon. member for giving me notice that he was going to ask this question, and upon reflection I have to tell him I do not consider it should be asked at this time.

Mr. Brewin: Ten o'clock.

PENITENTIARIES

DORCHESTER—DEMOLITION OF GUARD HOUSES

On the orders of the day:

Mrs. Margaret Rideout (Westmorland): Mr. Speaker, I received several telegrams this morning, one of which was delivered to me in the house this afternoon, and because of the urgency of this matter I would like to direct a question to the Solicitor General. Is it the intention of the government to continue the demolition of the guard row houses at Dorchester penitentiary?

Mr. Speaker: Order, please. I suggest that this question be placed on the order paper.

COAL

INQUIRY AS TO RELEASE OF ASSISTANCE REPORT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Prime Minister and ask him whether the government has decided to release the Donald report.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is on my desk.

Mr. MacInnis (Cape Breton South): Is it to be released? As a further supplementary question, can the Prime Minister say whether a cabinet committee has been set up to study this report?

Mr. Pearson: Mr. Speaker, this matter is going to be discussed at a cabinet meeting tomorrow morning.

Mr. MacInnis (Cape Breton South): As a further supplementary, under these circumstances what has been discussed between the Minister of National Health and Welfare and the Liberal leader in Nova Scotia that cannot be released to the miners and the people of Nova Scotia vitally concerned with this industry?

Mr. Speaker: Order. The question is argumentative.

[*Later:*]

Mr. MacInnis (Cape Breton South): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the growing anxiety among the miners and other people of Nova Scotia, will the Prime Minister make available to those people that information which was made available by the Minister of National Health and Welfare to the Liberal leader of that province?

Mr. Pearson: Without referring to the latter part of the question, about which I am not informed, Mr. Speaker, I can assure my hon. friend that we will be considering this whole matter tomorrow morning.

[*Translation*]

AGRICULTURE

QUEBEC—INQUIRY AS TO TRANSFER OF ARDA FILES

On the orders of the day:

Mr. J. Russell Keays (Gaspé): Mr. Speaker, may I put a question to the Minister of Forestry, who is responsible for the administration of ARDA.

In view of the fact that the term of the E.Q.D.B., that is the Eastern Quebec Development Board, will expire on June 30, can the minister advise the house whether he has been in touch with the new Minister of Agriculture of the province of Quebec to ascertain whether or not a small team of the board is expected to stay in office for some time, in order to ensure the systematic conveyance of the 11,000 files?

Mr. Speaker: I suggest that this question should be put on the order paper.

Mr. Keays: Mr. Speaker, I believe that the question is rather urgent, in view of the fact that a decision is to be taken very soon and that the term of the board is to expire within the next ten days.

[*English*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Has

the minister's attention been drawn to an article in the *Methodist Federation for Social Action*, published in New York, which reads:

While the eyes of the world are focused on Viet Nam the Johnson administration has quietly achieved a nuclear armament—

Mr. Speaker: Order. The hon. member knows it is not in order to read this type of material as part of a question.

Mr. Herridge: Well, Mr. Speaker, has the minister's attention been drawn to the fact that it has been publicly stated that the Johnson administration has quietly achieved a nuclear armament of the West German republic by establishing a Bonn military axis outside NATO?

Mr. Speaker: Order, please. The question is of a very general nature and should not be asked at this time.

IMMIGRATION

VANCOUVER—DEPORTATION OF JAPANESE GIRL

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration of which I have given him notice. Its urgency lies in the fact that we are at the beginning of the summer tourist season and also because of the consequences to the individual involved. Is the department investigating the circumstances in which Miss Masako Endo has been ordered deported by the Vancouver immigration office?

Mr. Speaker: Order, please. The question should be placed on the order paper.

Mr. Johnston: Ten o'clock.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of what some of us regard as urgency with respect to the question asked by the hon. member for Okanagan-Revelstoke, and in view of the fact that the list of questions for the ten o'clock show is becoming rather lengthy, would Your Honour permit the Minister of Citizenship and Immigration to take the question as notice and give an answer perhaps tomorrow?

Inquiries of the Ministry

INDIAN AFFAIRS

SASKATCHEWAN—JOINT PROGRAM OF HOME CONSTRUCTION

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources and ask him whether the joint program announced last year by the Prime Minister to be undertaken by the federal government and the province of Saskatchewan for the construction of homes for Indians, and which was to be on a trial basis, is still in effect; or has it been abandoned because only 10 homes were built?

Mr. Speaker: Order, please. I am afraid I could not recognize this question. It is of a very general nature, and I suggest that the hon. member place it on the order paper.

Mr. Korchinski: But, Mr. Speaker, I would like to have this information because some people are inquiring whether the program is still in effect and whether there is any point in making further inquiries about it.

Mr. Speaker: I suggest to the hon. member that the information should not be sought orally at this time.

[*Later:*]

Mr. Korchinski: Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister be presenting a report on the joint program undertaken by the federal government and the province of Saskatchewan in connection with housing for Indians, which was undertaken about a year ago on a trial basis?

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

FINANCE

REQUEST FOR HOUSING LOAN FUNDS FROM CENTRAL BANK

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to direct a question to the Minister of Finance. Has the minister received representations from the association which speaks for Canadian mortgage companies, seeking loans from the central bank to promote home building and, if so, what is the result?

Inquiries of the Ministry

FISHERIES

BRITISH COLUMBIA—DAMAGE TO SALMON SPAWNING GROUNDS BY LOG RUN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Fisheries and ask whether he has anything to report to the house about the court case, the writ of mandamus, with respect to the driving of logs on the Stellako river, which I understand was heard this morning before Mr. Justice Aikens in Vancouver.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I understand the matter was heard just an hour or so ago and no report has reached me as yet, so there is nothing I can add to what I said last week.

Mr. Howard: As a supplementary question, would the minister be prepared to make public any scientific reports on the log driving in that river last year, whether they came from his department or the salmon commission?

Mr. Robichaud: I will certainly give consideration to this request, Mr. Speaker.

PUBLIC SERVICE

INQUIRY AS TO GROUP B SALARY ADJUSTMENTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Prime Minister because he, in common with others, has received a series of complaints in the last few days from class B employees regarding the decision on the revision of their salaries, also asking that an interim addition be allowed at this time. Would the Prime Minister personally look into this matter and do something for these employees who have been waiting for action for a long, long time?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had some communications on this matter, and those communications are now being given consideration.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker, which I should like to direct either to the Prime Minister or to the Minister of National Revenue. When a statement is made on this matter can a firm assurance be given that these group B employees will not lose out on an adjustment because of the changeover which is taking place?

Mr. Pearson: Mr. Speaker, it is our intention to remove any possible injustices in these matters.

CANADA PENSION PLAN

CLASSIFICATION OF WEST COAST FISHERMEN AS SELF EMPLOYED

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of National Revenue, asking him whether he will reconsider his recent decision which reclassifies practically all fishermen on the west coast as self employed persons for the purposes of the Canada Pension Plan?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, we looked into this matter very carefully before making the decision which does classify some of the fishermen as self employed persons. As the hon. member is aware, there is a pension appeal board to which the decisions of the department in this regard can be appealed.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a supplementary question. I should like to ask the minister whether he is going to follow the advice given by the postal workers over the week end.

Mr. Benson: No, Mr. Speaker.

GRAIN

PRINCE RUPERT, B.C.—INCREASE IN ELEVATOR CAPACITY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question, which I am sure is predictable and which I am also sure has been anticipated by the Minister of Agriculture.

An hon. Member: You will get a predictable answer.

Mr. Howard: I hope I do not get the usual answer. In light of the announcement today by the Minister of Finance regarding grain sales to the Soviet union, will this transaction act as an impetus to the minister to give an early and favourable decision regarding the extension of grain elevator facilities at Prince Rupert?

Hon. J. J. Greene (Minister of Agriculture): I can assure the hon. member, Mr. Speaker, that it will make my dynamic consideration even more dynamic.

BANKRUPTCY ACT

AMENDMENTS TO CORRECT ABUSES AND FOR ORDERLY PAYMENT OF DEBTS

Hon. L. T. Pennell (for the Minister of Justice) moved the third reading of Bill No. S-17, to amend the Bankruptcy Act.

Motion agreed to and bill read the third time and passed.

Hon. L. T. Pennell (for the Minister of Justice) moved:

That a message be sent to the Senate to acquaint that house that the House of Commons has passed the following bill, namely Bill No. S-17, to amend the Bankruptcy Act, with certain amendments to which concurrence is desired.

Motion agreed to.

CANADA STUDENT LOANS ACT

PROVISIONS FOR SUPPLEMENTARY PROVINCIAL ALLOCATIONS, ETC.

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-197, to amend the Canada Student Loans Act.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I was not present at the time the resolution preceding this bill was accepted by the house, and this afternoon I should like to make a few remarks of the type that would normally be made at the time of consideration of the resolution. They will not infringe upon the general rules of debate.

Several general observations were made by the hon. member for Winnipeg North regarding the subject matter of attendance at universities and the desirability of university education for all Canadians. That hon. member, like the hon. member for Vancouver-Burrard, read a number of statistics and made reference to a specific report. These hon. members, as members of the New Democratic Party are prone to do, arrived at conclusions in respect of university education on the basis of certain statistical information. In doing so I think they painted a false picture in respect of the desire of Canadians generally to attend university.

We know very well that on the basis of academic ability a regrettable number of students are attending universities who should not be seeking a university education. It is true that many do not know whether they are able to obtain a university education until they have tried, but with proper guidance and investigation at the high school level many of them would never have gone to university because they would have realized they would be wasting their own time and the time of the teachers, and unnecessarily using already crowded university facilities.

Instead of looking for ways of providing free tuition at the university level we should be finding ways and means of increasing construction of adequate university facilities and providing increased salaries to induce more and more men and women to take up teaching in universities as a profession. What good does it do to bring thousands and thousands of young men and women into the universities when the present facilities are not adequate to provide them with the education they should receive when they get there?

I should like to correct what I think is a wrong impression. It seems to me it is wrong to conclude that because certain groups of Canadians earn so much money, a certain percentage of their children should attend university. It is wrong to conclude that the children of individuals who have greater economic means have an advantage over those without means so far as attending university is concerned. It is my opinion that of those students who have the academic and intellectual ability to obtain a university education, there are few who cannot find the means. They would appreciate it all the more.

• (3:30 p.m.)

There are any number of members of this house whose parents did not have any economic advantages and who worked their way through university in the 1930's when there was far more economic deprivation than there is today. Today, in this affluent society, we know that in some universities bursaries and foundation funds go begging because there are not proper applicants or candidates for them. Therefore, Mr. Speaker, I think it is time we got our heads out of the clouds in so far as university education is concerned. Let us say yes, we will provide the funds, we will provide the buildings, we will provide the teachers for these people, but first of all they must have a genuine desire to go to university and not merely look upon it as an extension of, shall we say, a period of easy existence.

If there are cases—and I think there would be relatively few today—of students who are

prevented from attending university through lack of funds, I think means can be found for them to do so. I will admit that everybody going to university would like to have more money to spend. Even the young fellow whose father is well endowed with worldly goods and gives him an allowance of say $50 a week spending money would like more money to spend. There is hardly one who could not find grounds for saying, "$75 is what I need". We are all human, and even our high school children who get $3 will say, "Well, can't you make it $5?" I am amused to hear this talk of $3 and $5 a week; it used to be something to get 25 cents a week when you went to high school.

There is in my opinion the necessity of a reorientation of our thinking with regard to providing financial assistance for attendance at university. As I have indicated in previous debates, I think we are putting the cart before the horse in this particular program and any program of free scholarships. Let us first build the universities, give them the money for libraries, laboratories and teachers, and then we will consider assisting students to further their education. Do not cram them into universities like meat into a sausage machine. What do you get out in the end? You get a lot of people who have been forcibly cut back and all too often you have too many products of the same identity and the same little sausage intellectually. In my opinion this is not the answer. A person who has a genuine desire to attend university will find the money that is necessary.

There is another point, Mr. Speaker, with which I wish to deal. It may have been referred to by the hon. member for Vancouver-Quadra (Mr. Deachman) but has not been dealt with at any great length. I refer to the question of whether the provincial governments, which control a large number of universities in Canada, are actually in a way turning aside the funds provided by the federal government for education and using them for other purposes. It is simple, when generous loans are furnished to students so they may attend university and there is a certain certificate of eligibility, merely to let the fees rise and let the students absorb a higher proportion of the cost of operating the university rather than the provincial government maintaining or increasing its relative contribution to the university. That is one way in which a provincial administration can turn aside, shall we say, moneys provided by the federal government and use them for non-educational purposes.

If a study were carried out in this field I do not know what the result would be. We know that fees are increasing. I am wondering whether the minister in his agreements with the provinces has made any provision for an escalation in the amounts required under the loan plan to compensate for an increase in fees. I think that in order to protect students both from the universities and the provincial governments there must be a ceiling imposed on fees, if there is one on the money that is available by way of loan, during the term of these agreements.

The minister has spoken of excellent co-operation or co-ordination between the provincial governments and the federal government. I wonder whether there has been any discussion in this respect. Otherwise the whole thing could be made complete nonsense by allowing fees to mount up without limit and at the same time limiting the amount of the loan available to a student. Remember, these are loans. We know what it is going to be like to repay these loans. There have been many instances of difficulties such as have been experienced with regard to those university graduates who have gone off on programs like CUSO. We will see how many difficulties will arise when The Company of Young Canadians is operating. We will see how many students who have taken loans under this program will be able to meet their obligations if they become members of The Company of Young Canadians. I think we will see a very interesting reaction in this respect.

In any event, Mr. Speaker, in recapitulation the questions I would ask are: What arrangements are there, either between the provinces and the federal government or between the provinces themselves, to sort of keep the lid on fees if they can? Second, is greater emphasis being placed upon capital funds being available for buildings, laboratories, libraries, teachers and, finally, for the students themselves, because in my opinion that is where the priority in respect of university education exists. It does not exist in cramming into our present universities thousands upon thousands of young people who will be artificially cut back at the end of their first or second year because they cannot continue at university due to a lack of space and teaching facilities.

Hon. John N. Turner (Member of the Administration): Mr. Speaker, I should like to speak generally and briefly on the amendments to the Canada Student Loans Act. When it was first introduced I of course spoke at greater length on the philosophy behind the bill and what it would mean to students throughout the country as a means of continuing their education with some sort of financial support from the federal government.

• (3:40 p.m.)

I wish to speak about three of its aspects. First of all, I want to reiterate to the house and suggest to the minister that despite the fact that this has been a very liberal piece of legislation—and has accomplished a good deal toward equalizing educational opportunity in this country—I would hope that its terms would be broadened in the future to include many students who are not presently covered. I wish to speak in particular about part-time and night-time students. In our larger cities the number of students attending university on their own time in the evenings and at their own expense reaches rather large proportions. In two of the universities that happen to be situated in the riding of St. Lawrence-St. George in Montreal 15,000 out of the 30,000 students attending those universities do so at night time, and judging from figures I have received the same situation applies to a certain degree in the other large metropolitan sections of this country, particularly in Toronto, Hamilton and Vancouver.

Mr. Diefenbaker: May I ask the minister a question? He is in the rather unusual position of a minister in a cabinet advising another minister on what the latter should do. I am wondering whether these representations which he is now making to the house would not have been more effective had they been made where they should have been made by a minister, namely, in the cabinet. I have never seen this done before, but one learns new things every day in parliament.

Mr. Turner: I rather think the right hon. Leader of the Opposition would not wish me to reply to that question knowing that I am bound, as he was, by the Privy Council oath. However, I wish to point out that my intervention is in no way a criticism of this legislation. I am looking forward to the possibility of other aspects of this legislation being extended. I totally approve of the bill as it was introduced and, of course, of the reasons behind these amendments, but I am taking advantage of second reading to make a few comments on how I hope this legislation will be developed in the future and how I think we should react to the support of our students in this country.

I wish to make it perfectly clear that I am speaking not in criticism of government policy but hoping, as I would imagine many members of this house are, that its terms will be broadened in future years.

Mr. Diefenbaker: I think the minister did not get my point. Is he saying that it is constitutionally proper for a minister, during the discussion of a measure brought before parliament by another minister, to explain that, while the measure is a worthy one, it would be a lot better if his suggestions were carried out? Surely that is not quite constitutional. I am not asking him in any way to contravene the oath he has taken as Privy Councillor but I have never before seen an instance of a minister explaining to another minister that while his legislation is good it could have been better.

Mr. Turner: I had the benefit of sitting in the opposition while the right hon. gentleman was prime minister of this country and I recall a number of such occasions then and also during the period I have been sitting on the government side of the house. There is nothing preventing a minister or member of the government from making certain comments on legislation. I can uphold the constitutional position I am taking on the basis of precedents.

Mr. Diefenbaker: There are no precedents.

Mr. Turner: I am sure there are precedents, Mr. Speaker, and I find myself in no unusual position. I am sure that hon. members on our side of the house will welcome in the future any criticism made at this stage of certain aspects of this legislation. I hope that some day the definition of a student will be enlarged beyond the one that is in the present act in which it is limited to a full-time student at a post-secondary institution. I hope that some day we will be able to in that definition include night-time and part-time students, especially as they are particularly deserving because after having worked eight or nine hours in a day they use their own free time to further their education.

I also wish to say that a subject which disturbs me is that reciprocity has not yet been achieved between the Canada Student Loans Act and the Quebec Student Loans Act: Despite the fact that in the province of

Quebec there is a piece of legislation providing for student loans and bursaries, the fact is that a student under the Canada Student Loans Act may obtain a loan from any of the other nine provinces of Canada to study at a university in the province of Quebec but it is not yet possible for a student coming from the province of Quebec to apply for a loan in Quebec for study outside that province except at a certain restricted list of institutions, one of them being the University of Ottawa and another the University of Moncton.

I would hope that we could look forward some day to students from the province of Quebec being able to obtain loans which would allow them to further their studies in other parts of Canada. I think this is essential if we look forward to mobility in our student population and if we look forward to an exchange of ideas between one province and another, especially between the French speaking and English speaking areas of the country.

[*Translation*]

One thing is of particular interest to me and that is complete reciprocity between the students of Quebec and those of other provinces. I believe that, in the interest of Canadian unity and of our modern society, our Quebec students should be encouraged to pursue their studies in a province other than that in which they were born.

I am quite agreeable to have outside students carry out their studies in Quebec and, under federal legislation, such students should qualify for students' loans. On the other hand, I would wish that students in the province of Quebec could receive scholarships and loans from the province of Quebec to study elsewhere, without any restrictions.

[*English*]

My final comment, Mr. Speaker, is that I think many of us in this house realize that what we have achieved over the last two years under the Canada Student Loans Act must of necessity be considered to be an interim measure, and I hope that some day we will move toward a gradual reduction and an eventual abolition of student fees at all levels. That this act has been a useful one I do not think anyone who looks at it in a reasonable way would question. In the first year ended June 30, 1965, 42,500 students borrowed $26,400,000 under the plan, and the figures are running at the same rate in the current academic year. However, if we are to consider a university education in a world where machinery will gradually shorten the work week, where automation will demand more skills to enable our society to compete with the broadening opportunities on the one hand and the greater restrictions of work on the other, a new generation able and equipped to deal with the larger problems of leisure time will have to have open to it as a prime requisite the full scope of education.

I say therefore, in looking at the loans as they now operate, that one of the problems which has been substantiated by the survey taken by the Canadian Union of Students is that the great majority of students who are managing to take advantage of this legislation primarily come from middle-class family backgrounds.

I think the reasons are not hard to find. There are certain psychological barriers which hamper students from less fortunate backgrounds in their ability to approach the administrations for loans. I think the figures speak very clearly for themselves. Only 9 per cent of the university and college population comes from families earning an annual income of $3,000 a year or less. When one considers that 25 per cent of Canadian families have incomes in this range, the disparity becomes even more clear. Nineteen per cent of university students come from families with incomes between $3,000 and $5,000 per year; yet over 32 per cent of Canadian families have incomes within this range. About 52 per cent of Canadian families have incomes less than $5,000 while only about 28 per cent of the university population originates from this income bracket.

• (3:50 p.m.)

I think too that the survey shows, and those of us who have had the opportunity of retaining a close association with the universities and colleges across this country realize, that the majority of the students come from families whose parents' occupation could be classified as white collar, that is, professional or business. We want, I am sure, to broaden the range of the student population much wider than this.

It has been found as well that most of the students who finance their way through university and college depend upon a substantial parental contribution. Indeed, most of those who were interviewed considered this almost a prerequisite before they were able to go to college or remain there. It appears also that a majority of those who have taken advantage of this legislation come from more auspicious financial or social backgrounds. These people,

because of family training, are more able psychologically to risk incurring the debt that obtaining a loan requires.

I think the other side of the coin is equally clear. Most students who come from working class families do not appear to be psychologically geared to incurring this debt even if it is advantageously open for them to do so. Many of them reluctantly approach university administrations knowing that, no matter how good the cause, they are going to saddle themselves with debt which may take many years after graduation to discharge. I think it is particularly significant that not many girls, certainly in proportion to their numbers amongst the student population, have undertaken this obligation. If I may use the words of the brief of the Canadian Union of Students, apparently these girls do not wish to undertake obligations which may prove to be a negative dowry. I hope, therefore, it would be the intention of members from all parts of the house some day to arrange the financing of university education, and indeed technical and vocational training, on a basis that would eliminate tuition fees.

I am not suggesting that we should subsidize the small part of the population that may have the talent or initiative to obtain a university education. I hope that in the whole realm of technical and vocational education as well as university education we would move gradually toward the elimination of student fees. I say "gradually" because I think it is particularly important that we do not immediately dislocate the resources already committed to other plans of extreme social importance. I am thinking of medicare, pensions legislation and our commitments to urban renewal. I admit that at this particular moment this is the reason the Minister of Finance (Mr. Sharp) is restricted from moving faster in this field. He has to consider the important obligations we have incurred in the field of social legislation with regard to the aged, the sick, pensioners and so on, so we cannot immediately achieve the elimination of fees. Gradually we should move toward the elimination of fees for all types of education at all levels, and it should be done in such a way that the elimination of those fees does not constitute a subsidy by the rest of the population directly for students.

One suggestion made by the Canadian Union of Students interested me very much, and I am sure members of the house will want to consider it. It was that some day we might convert the loans into scholarship achievement funds. In other words, if a student borrowed $1,000 per year, the maximum amount he is entitled to borrow, and successfully completed his university year he would be entitled to an automatic discharge of the obligation. In effect, this would become a retroactive, non-repayable bursary to him if he proved by his attainments at university that he had used the loan to good advantage.

As I have said, we must approach this subject keeping in mind the limits of the resources this country has already committed in other spheres. I should like to congratulate the minister upon extending certain of the provisions of this legislation and we look forward some day to the enlargement of the scope of this measure. As I said in answer to a question earlier today, I say these things not in any sense of criticism or in any breach of solidarity with my colleagues but for the future improvement of this very liberal piece of legislation.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I must agree with the Leader of the Opposition (Mr. Diefenbaker) that it is rather unusual for a member of the cabinet to enter the debate at this point. I suppose the minister has a responsibility, as the member for St. Lawrence-St. George, to the many students who go to Sir George Williams University. However, I got the impression it was a leadership speech.

I should like to make a few comments, some of which are prompted by the remarks made by the hon. member for Edmonton West (Mr. Lambert). He seems to be worried about the number of people in university. I think I am right in saying that these loans are available to students who attend the various technical institutes of the country today as well as the community colleges which are now coming into existence. They are not restricted to university students. I do not agree with the contention of the hon. member for Edmonton West that the universities are clogged with people who should not be there, who are not intellectually able to attain a university education. My impression is that in the last few years the universities have been raising their standards of admission. I know this is the case in my own province, so people cannot get in as easily today as they could in the past. I am glad I do not have to do it over again because I am not sure I would meet all the standards.

I challenge the statement of the hon. member for Edmonton West that our universities today have a great many students who are not intellectually able to attain a university education. The standards are going up and this has automatically weeded out a number of people. However, the universities can solve this problem any time they want by raising their own entrance requirements, if indeed such a problem exists.

The other day my colleague, the hon. member for Winnipeg North (Mr. Orlikow), quoted the figures compiled by the Canadian Union of Students to which the Member of the Administration (Mr. Turner) has just referred. The hon. member for Edmonton West has criticized these figures. He says he does not believe they tell the whole story. It is true, however, that the upper income groups obviously have a great many more of their children in universities than the lower income groups. The basic point is still true. It is more difficult for a student if he comes from a low income family. We are trying to get some equality of opportunity in this country, and I believe the figures presented by the Canadian Union of Students are valid. We should take a very careful look at them. Despite what the hon. member for Edmonton West says, a great many people do have difficulty going to university. It is difficult to get sufficient funds. Students cannot always get summer employment, at least at rates of pay which will give them the kind of money they need to enter university.

• (4:00 p.m.)

The hon. gentleman said that there are bursaries and scholarships going begging in this country. That may be true, but let us accept the fact that many of these are for people who have a high level of ability. I am more concerned about the average university student, the sort of person who may not win intellectual honours but who makes up the bulk of the people in professions such as law, the medical profession and the teaching profession. There are all kinds of people of this sort who have the ability to go to university but do not have the ability to win scholastic prizes. These are the people, coming from families with incomes of $7,000, $6,000, $5,000 and below, who have difficulty going to university in Canada at the present time.

We have been reminded many times that we cannot afford to waste whatever abilities are possessed by those who are capable of university and professional training. This is why we need not only a student loans fund but a system of bursaries of the type which give aid to any student who is able enough to enter university.

The hon. member for Edmonton West also suggested that the emphasis is being put on the wrong place, that we should give more money for capital construction of universities and for appointment of professors. One cannot argue with that, but it comes back to the same old question of priorities. Let us not have any hospital insurance until there are enough hospitals and nurses. Let us not have a medicare program until we have trained sufficient doctors. There is never enough in this sort of context, and if we wait for these things to come about we will never do anything. We must proceed on all fronts at the same time. If we wait until every university has sufficient accommodation and staff before we say that we can now provide free, if you want to use that term, tuition and education, then we will never achieve that situation. In the same way, if we wait until we have enough doctors in the country we will never provide medicare.

My general impression of the speech of the hon. member for Edmonton West was that it was a good Conservative speech of the type we do not always hear from the members of the Conservative party, but I will go on with my own remarks having said something about his speech.

An hon. Member: We express our views.

Mr. Prittie: My point was that the Conservative party has a great many people with different political views, but the speech of the hon. member was a good Conservative speech and I congratulate him for it.

The Member of the Administration (Mr. Turner) was concerned about mobility of students in Canada, and so am I. I reread the debate of 1964 when this measure was introduced for the first time, and I expressed regret at that time that there had to be provincial quotas. It seems to me that higher education in Canada is truly interprovincial. I imagine that at Carleton University and the University of Ottawa there are students from every province in the country. Certainly at the University of Alberta there are students from all parts of Canada. This has to be so, because our universities specialize. It would cost us a great deal more for higher education than it does today if every university in the country attempted to have every

type of faculty. Instead, Mr. Speaker, our universities wisely specialize. For example, I believe that in the whole of the country there are only four provincial forestry schools. Therefore people from the other six provinces have to go to one of these four provinces if they want to become forestry engineers. There are also a limited number of dental schools and veterinary schools. Apart from this, I think it is a good idea that students in Canada go to a province other than their own in order to obtain part of their education. It is good for them from the point of view of national unity, something which we are talking about all the time. Therefore this sort of mobility should be encouraged.

That is why I am sorry that we have provincial quotas. I should like to see a national fund set up to which all people who are eligible for university entrance in this country could apply. It seems to me that if sufficient funds were made available this would be a perfectly fair way to operate. I suppose the provincial quotas were instituted because at the time the measure was introduced in 1964 charges were made by some members that it represented interference on the part of the federal government in the realm of education. I do not want to go into that subject in complete detail today. I think one could make a good case in support of federal involvement in education. I did so earlier this year when I introduced a resolution to establish a federal office of education which was debated on February 23. However, I will leave that there.

Long before the Canada student loans fund came into existence the federal government was assisting students, generally postgraduate students. Through the means of the Canada Council and the National Research Council the government has given aid to education for a very long time. It seems to me that the Canada student loans fund is of that same general nature. There is nothing at all wrong with the federal government wanting to assist students in this country by means of the Canada Council and N.R.C. through which it has done so for many years.

There is one other way, Mr. Speaker, in which the federal government could give direct assistance to more students than it is helping at the moment. We regret that the scholarship plan which was advocated by the Liberal party during a number of election campaigns, I believe starting in 1958, has not yet been brought about and that we are still confronted with this student loans fund. However, here is a way in which the government could assist.

For a number of years the federal government has been financing the education of people destined to become regular officers in the armed forces. If they passed the requirements which were demanded by the Department of National Defence these students entered university. Not only did they get their fees paid but they also received an allowance and had summer employment guaranteed them. This scheme has been in operation for personnel required by all branches of the armed forces but particularly for medical personnel. In return for this they have to undertake to serve with the armed forces for a period of years.

I suggest, Mr. Speaker, that the federal government could go further in this field. I am thinking particularly now of the federal civil service. This is a very large organization having a great demand for professional and technical personnel of all kinds. They have to compete with private business, with provincial governments, with municipal governments and with the universities themselves for the people who are needed to staff the departments of the federal government.

I suggest that the Civil Service Commission ought to be given authority to enter into some kind of arrangement to finance the education of students. In return for that assistance from the Civil Service Commission these students could guarantee to serve in the federal civil service for a period of years, just as the people in the armed forces who are taking advantage of the R.O.T.P. plan guarantee to serve in the forces for a given period.

Not only does the civil service have trouble generally competing for the graduates of our universities but it has a problem in one particular field, a problem which will reappear when the report of the royal commission on bilingualism and biculturalism is presented. We hear the complaint that not enough French speaking university graduates are entering the federal civil service, whether to serve in Ottawa or somewhere else, but that they are working for the government of Quebec or for private industry in that province. It seems to me that this type of plan could be used to attract more French speaking graduates to the federal civil service. I suggest that a plan be instituted much along the same lines as the R.O.T.P. plan for the armed forces and that we not only pay

the fees of the students but also give them a certain living allowance.

I should like to mention one other point, Mr. Speaker, in connection with aid to students other than by loans or scholarships. The hon. member for Edmonton West seemed to suggest that there is something all right about the element of struggle, that if you had to work hard in order to get through university—and perhaps the Minister of Finance had to work his way through university—so did a lot of other people too. I remember that when I went to university I had to spend three days a week working in a warehouse and I spent three days a week attending university, and I can testify that is is not the best system. I had to miss out on sports as well as on intellectual activities.

I think that the element of struggle is rather old-fashioned now. I think we should make it easier for people to go to university and be able to obtain the benefits of university life. I do not mind students working during the summertime but I think that while at university their attention should be centred on the activities in the classroom and outside the classroom.

• (4:10 p.m.)

Last week the Minister of Finance in his introductory remarks said that the student loans fund was one stage in the government plan for students, presumably he meant that the scholarships would have to come later. This afternoon the Minister without Portfolio made reference to the same thing. It is an interim step, and he said rather vaguely that he hoped we would be able to achieve tuition free universities in Canada. But how long will this take? The government has now been in office for three years. We have got no farther than the student loan plan. When is the next step going to take place? By next year the first group of students, those who entered university in 1963 when the government took office, will graduate. How many graduations will there be before we get beyond the student loan fund?

I know it is very easy to say that there should be tuition free universities in Canada. But if this country, which is second or third in the world in standard of living, cannot afford it, who can? We must make efforts to this end. It is being done in many places. Many parts of the United States do not charge students college fees. In France, for the most able students in any case, I believe university is completely free. I believe in Uruguay this is the case. Canada should also do this.

How long will it be before we see this I do not know. The Liberals are frequently reminded during election campaigns that a national health insurance plan has been in their program for a long time. It was born in the same year I was, 1919. My hair is getting thin and grey and we have not yet got it. I hope it will not be 40 years before we get a scholarship and tuition free system for students in Canada.

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, the bill now before us is another instance of the constitutional hodge-podge in which we have been plunged by the present government and it is another indication of the continued mix-up in federal-provincial relations. This bill concerns student loans.

Mr. Speaker, I agree with the hon. members who stated previously that Canadian students in all provinces need special and substantial help in the present development of our economy, of our industry and our education needs; I am in full agreement with them on this point. But where I differ, it is when the present federal government introduces a bill to amend legislation passed in 1964, to alter or increase the requirements of federal loans to students. On this point I think we are missing the boat. It is most unfortunate, Mr. Speaker, but this is not a federal government responsibility, even though I may be the sole voice to be raised in this house on that point, I am raising it now and I shall continue to do so until the end of my mandate, because we are going at it backwards and I repeat, this is creating across the country tensions and pressures that bode no good for national unity.

I was quite amused a moment ago when the hon. member for Burnaby-Richmond (Mr. Prittie) mentioned in his argument that the central government was justified in dealing with education but that he lacked the time to elaborate at this point. Strangely enough, I have never heard a single member during this session or in earlier sessions, when I followed discussions of this house, put forward a basic argument in order to prove that the central government is justified in assuming educational responsibilities, either through student loans or scholarships, which are to be distributed shortly as promised in the platform of the Liberal party, or still by any other indirect or implicit means, as

pointed out by the member for Lotbinière (Mr. Choquette) the other day, when he suggested the establishment of a cultural division within the Secretary of State.

Mr. Prittie: You will find my argument in the official report for February 23.

Mr. Allard: Very well, I shall read *Hansard* for that date, after looking up the page, and then I hope to have the opportunity to comment on the remarks made by the hon. member at that time.

My position will perhaps be termed as over-simple or as anything else, but the responsibilities of the central and the provincial governments are clearly defined and specified in the Canadian constitution, and since it has always been refused to amend the constitution and even to establish a joint parliamentary committee during this session, so as to bring about constitutional reforms—which I favour—the central government must therefore restrict its responsibilities to the specific fields devolved upon it under sections 91 and following.

With regard to education, it is clear; education and teaching belong exclusively to the provinces. It is written in the constitution. The central government can intervene in only one case, and that is when a group in a province suffers some prejudice following a provincial decision, as long as it deals with a denominational matter. That is the whole substance of section 93. The central government does not have the right to interfere in the field of education, except in extraordinary cases, when a complaint is made, and by introducing and passing a compensating legislation here in this house, something no one ever objected to, to correct grievances and prejudices which arose in the past throughout the country.

But it is always the same centralizing method, always that spirit of the government, which is called the federal government, which interferes in all the fields of Canadian activity and which proves itself to be a centralizing government, a government which becomes more and more unitarian, the provinces becoming, by its own decisions and its own implications and interference in fields of activity, mere branches which are a little like the municipalities, to distribute cheques, do unimportant things.

Well, that is not the spirit of the confederative pact of 1867 and it is not the role which Quebec wants to play in a Canadian federalism. That is why I say to all hon. members, who know it very well already, that the province of Quebec, not to show any separatist tendencies, not to quarrel with the rest of the country, does not participate in the unconstitutional, illegal, centralizing, anti-federalist legislative measures in the fields of federal loans to students, school allowances, scholarships which the government is getting ready to hand out. I wonder why hon. members from various parties do not take the floor—particularly those from the province of Quebec—to protest against such important legislative measures which go against the supposedly autonomist and federalist views of the people of Quebec. The cure would not be complicated: the central government which controls three quarters of the big fiscal cake need only give additional amounts to the provinces when equalization payments are made. Those are technical aspects and the provinces would assume their responsibilities in this respect, under the Canadian constitution.

• (4:20 p.m.)

Mr. Speaker, I think the federal government has no right to interfere in areas out of its jurisdiction as was done in many cases prior to 1949, when a final court of appeal existed to deal with constitutional matters. And the central government of that day was ill-advised to take such action, because certain decisions counteracted the centralizing steps it took. At that time, many Privy Council judgments indicated that, in a federal system, a government could not do indirectly what the constitution prohibited from doing directly. In 1964, some hon. members, and particularly the hon. member for Berthier-Maskinongé-Delanaudière, presented a basic and important argument in answer to three Liberal members from the province of Quebec who had been given the task of selling this intrusion by the federal government and who maintained that Ottawa was not interfering in education but was merely making loans through the banks. How hypocritical, Mr. Speaker. And it was alleged at that time that loans were made to farmers and fishermen. However, they neglected to say that under section 95 of the Canadian constitution, the federal government and the provinces have joint jurisdiction in the field of agriculture. Today, also the federal government has jurisdiction in the field of fisheries. But, according to section 93 of the constitution, only the provinces have exclusive jurisdiction in the field of education and teaching.

Well, it has been established by the theory of the "colorated" legislation that the courts consider the purpose of the act, and not its appearance. This legislation is not a loan; it is an act to give assistance in the field of education. If its ultimate result is to legislate in a field coming under another's responsibility, it must be declared null and void.

Well, Mr. Speaker, this act is absolutely ultra vires. I may be told: "In that case, take the matter before the courts." Another anomaly in our system.

We have no constitutional court. We have no court where, in a federative system, the governments, the central and the provincial governments, appoint, in all fairness and equity, representatives to take an equitable decision on constitutional conflicts. We have a supreme court only. I do not quarrel with the competence or the various purposes of that court, but it is the absolute creation of the central government, where the provinces have no representatives; they cannot appoint representatives or judges to that court to take decisions on constitutional problems. The present federal government takes a great deal of interest to all sorts of problems, but it should restrict itself to problems which are not settled and which come under the Minister of Finance (Mr. Sharp) and the various ministers. There are a lot of problems, a lot of hardships and complications in economic and industrial matters in the country which come under section 91 of the federal jurisdiction. The central government should devote all its energy and its ability to settle the problems incumbent upon Ottawa, and mind its own business and leave to the provinces their own jurisdiction. The provinces can manage their own business, Nova Scotia, British Columbia, Newfoundland as well as the province of Quebec. Let the hon. Minister of Finance restore to the provinces their taxing powers. Instead of keeping that pile of money, he can always set up standards of uniformity across the land. And, in the field of education, as in that of culture, the province of Quebec wants to be sole master of the orientation, the development and the survival of education of this generation and of the nation that lives in the stronghold of the province of Quebec. That is why it objects to the dictates of the central government, regardless of what party is in power. It is all very simple. That is why section 93 was inserted in the constitution, in 1867, and why confederation was achieved as a pact, an agreement between the two great founding nations of our country. But it seems all that historical significance has disappeared. Indirect attempts are made, through all sorts of means, through tacit attitudes, to gain access to all fields without the consent of the provinces, and once established in a field of endeavour, the federal government offers the provinces to raise money and co-operate, with the help of federal statistics and federal decisions, in setting up standards.

Well, I say this is going backwards. If the central government and the nine other English Canadian provinces really want the central government to deal with the field of education, I, for my part, have no objection, since I respect the way of thinking of all Canadians.

But then, this government should assume their responsibilities and initiate constitutional reforms. They do not want to reform, they do not create any parliamentary committees, as regards the constitution, they keep on resorting to steps which widen the gap and foster misunderstanding between Canadians, between the province of Quebec and the other nine provinces.

I can well understand the English speaking Canadians from the other nine provinces not objecting to grants in the educational field, either from the central or from the provincial capital. For those Canadians, who have my respect and admiration for their vitality, the success in their personal activities and in the financial and industrial field, this question is a technical one, a mere matter of form.

Dollars may come from the provincial or from the federal capital; it is just a technical matter. They share the same culture, the same educational curricula, the same language, most have the same religion and thus they constitute a group having the same interests in the educational and cultural fields.

But in Quebec it is different. French Canadians make up a nation with rich and diversified sociological elements; they have to retain their own traits to orient their own educational programs. In order to orient the various aspects of this planning the government of the province of Quebec, no matter which one, needs essential revenues.

Thus, we see two different approaches. But why not create a parliamentary committee on constitution that would be a prelude to a national conference, grouping Canadians of good-will, from Halifax to Vancouver? I do not feel that the problem is insoluble. The Canadian people of 1966 are as intelligent as their 1867 forebears, I am convinced of that.

If there are technical aspects, tax-sharing questions, if the province of Quebec, for special reasons, wants to be solely responsible in certain fields, educational or otherwise, while the other nine provinces would rather surrender such a field of activity to the central government, I have no objection to it. All that would be needed is the necessary machinery.

As long as responsibilities are not faced and Canadians of good will are not given the opportunity to come face to face and write down a statement of practical and bicultural federalism, with the provision of a special status for Quebec, and as long as we keep on in this field of federal loans to students which seems to forecast a nation-wide system of scholarships, possibly a department of education, a cultural section in the Secretary of State department, I say that we are going backwards and that tensions, disagreements and misunderstandings are being heightened across Canada.

That is why, Mr. Speaker, I wanted to take my stand against the principle of this bill.

[*English*]

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, it gives me great pleasure to take part in this debate on the student loans fund. I listened with interest to the remarks of the hon. member for Sherbrooke (Mr. Allard). He canvassed an area in constitutional law which causes him and perhaps, the province of Quebec a good deal more concern than it causes the province of Nova Scotia.

• (4:30 p.m.)

I have the privilege of representing a constituency in which there is at least one institution of higher learning. Moreover, the province from which I come has always contributed in an outstanding way to the educational advancement of this country. I wish to say that the student loans fund finds favour in Nova Scotia, certainly in the constituency I represent. I have heard speakers say it favours the rich, not the poor. It was interesting to hear the hon. member for Burnaby-Richmond (Mr. Prittie) mention priorities. As a member of the N.D.P. he should not scoff at priorities. Priorities and planning form one of the basic tenets of his party. One has to have priorities in certain areas of government and if ever there was an area in which we need a plan it is the area of education. This also applies to medicare.

The one basic complaint I would make against the Canada student loans plan is that we may be putting the cart before the horse in that we are not providing the administrative equipment, the professors and buildings in advance. This also applies to medicare. The medical resources fund came before us after the government said it was going to implement medicare. I think the government should provide the facilities and buildings before starting to fill them with students or patients, but generally this measure is a step in the right direction.

As Confucius said many years ago, a journey of a thousand miles begins with a first step, but this is certainly not a first step because the government has already taken the first plank from the Conservative platform in 1965, thus making my task of supporting this measure easier. It can now add to that plank which advocated student loans, which is a little different from its own plank of student scholarships. The government has adopted a per capita grant of $5 instead of $2 as we in the Conservative party advocated and has followed and continued the program of vocational education which we started and stimulated. If the government can now develop a few planks of its own, so much the better. Having built upon the foundation which this party laid when in office and having adopted our educational platform in 1965, the governmentand the Minister of Finance (Mr. Sharp), are to be commended for their work in regard to the Canada student loans fund.

To give the lie to some of the discussion that has taken place in this chamber on the resolution stage and also today about how this legislation favours the rich and hurts the poor, I would like to quote the figures which the Minister of Finance gave on June 13, as recorded at page 6307 of *Hansard*, and the figures given in the 1965 Canada Year Book which sets out the total enrolment of university students in the year ended 1964. There will be a certain overlapping because I think the figures used by the minister covered the period to the end of March, 1966. There is not a complete basis for comparison but I think the figures give a certain indication.

In effect the figures support the purpose of this legislation. The province of Prince Edward Island is not renowned for its large professional or elite class. It is a largely rural, agricultural province. It is also a fairly political province at the present time, and maybe the people there need a little more education to help them solve some of their

political problems. The Canada Year Book shows that in the year 1964 83 per cent of the students in P.E.I. participated in the Canada Student loans fund. Those to my left may say that if tuition fees were free there would not be many more students in P.E.I. to cover, but I take Prince Edward Island as an example because it does not have a large white-collar class and if a student is deserving he can qualify for aid.

Newfoundland, which also is not renowned for its established professional elite or for affluence, had 59 per cent of its students participating in this plan in the calendar year 1964. In Nova Scotia 47 per cent of the student enrolment participated, over 3,700 out of a total enrolment of 7,700-odd. New Brunswick, which also is not renowned for its elite, professional, vested interest class, had 57 per cent of its students participating.

On the other hand, Ontario, which has much more wealth than many parts of the east, had 45 per cent of its students participating, some 20,000 out of an enrolment of 44,000. In Manitoba the figure was 38 per cent. Saskatchewan, regardless of the tremendous boom given to its economy by the Conservative government by the wheat sales to China, is also not renowned for its professional elite, and 61 per cent of its students participated. In Alberta the figure was 57 per cent and in B.C., one of the richer provinces, 41 per cent participated in the student loans fund.

These figures do more than any verbal dialogue or monologue to indicate that the plan, while it may not go far enough, certainly has been a boon and an aid to deserving students who wish to further their education. In our economy and society there is pressure today to increase and expand the base. There is pressure to eliminate tuition fees but there are other priorities which come first. There are qualifications which a student who aspires to higher education should meet. With student aid, scholarships and bursaries, all deserving students can get that higher education which is so necessary in our modern-day society.

Though in general and in principle there can be no complaint with the student loans fund, administratively there have been some problems but to a large degree they have been ironed out. Initially the processing of applications was very slow. This caused difficulty but over the two year trial period that difficulty has been eliminated to a large degree.

The six months interest free period after graduation is pretty short. I suggest a small amendment to the administrative provisions of the act whereby the interest free period would be extended, thus providing more time to a graduate to get established either matrimonially or in business before starting to repay the loan with interest.

As I say, though not related directly, there are certain features in the student loans bill which correspond to medicare and the medical resources resolution. The government has stated clearly that regardless of provincial objection it is going to introduce medicare. Toward that end it has introduced the health resources fund. I say the government is putting the cart before the horse in many ways. The student loans legislation is running into the same problem. It is providing money to aid students to go to university but because of the tight money policy enforced by the Minister of Finance, especially as it is applied to the maritime provinces, there are universities which have not been able to get loans from the banks in order to expand.

This problem is going to grow greater unless the minister and the government in the very near future start to apply fiscal policies on the basis of regions rather than giving a blanket, castor oil treatment to the whole country.

Mr. Stewart: Would the hon. member permit a question?

Mr. Nowlan: I will permit it but I do not know if I can answer it.

• (4:40 p.m.)

Mr. Stewart: I should like to ask the hon. member to explain to the house just what mechanism he would use to apply a monetary policy to one region of the country rather than to the country as a whole?

Mr. Nowlan: Mr. Speaker, I am sure that if I, like the hon. member who asked the question, were sitting on the government benches with the responsibility of the Minister of Finance and the advice available to him, I could devise some policy which could be applied on a regional basis with fiscal preferences in order to stimulate the economy and would do more good than a general application of the castor oil treatment. Everyone knows that you cannot give the same dose of castor oil to ten different babies and that the province of Nova Scotia is pretty close to being the financial and economic baby of this country. You cannot stimulate by giving a

general application of the castor oil treatment. In fact, you can cause many unfortunate illnesses or perhaps even constipation of the economy.

Mr. Stewart: May I ask the hon. gentleman another question?

Mr. Nowlan: You may cause fiscal constipation.

Mr. Stewart: Is the unwillingness of the hon. gentleman to answer my question an indication that he does not know of any monetary mechanism which could be applied on only a regional basis?

Mr. Nowlan: I am sure the hon. member is well aware of the protests which have come from the eastern part of this country regarding designated areas. That is one illustration of how the maritimes could be assisted.

Mr. Stewart: That is not a matter of monetary policy.

Mr. Nowlan: So far as the question is concerned I will wait until a member of this party has the responsibilities of the Minister of Finance, at which time I am sure that a monetary and fiscal policy will be devised to help areas in this country on a regional basis. I had intended to speak about the principle of this legislation. If I try to answer any more questions of the hon. member for Antigonish-Guysborough I may lose my benign and benevolent spirit.

Basically I think the principle behind this legislation is good and I do not think there is any reason for keeping the Minister of Finance here during a further discussion. However, I know of case histories where the education of individuals has been curtailed by an inability to obtain loans from banks because of tight money. I am sure if the hon. member, who was in Nova Scotia last week, had consulted with the bursar at St. Francis Xavier or at Dalhousie he would have discovered that potential students for the first time in the history of these universities are not able to get approval for loans from banks because of the tight money policy.

The principle behind the legislation is good and the 47 per cent figure, quoted as the national average participation excluding the the province of Quebec, speaks well for the fund. It also speaks well for those students who are prepared to accept a financial burden in order to obtain a higher education and are prepared to work hard and make sacrifices in order to do so. I think we must remember that there are at this stage of our development many other more pressing priorities.

Mr. H. E. Gray (Essex West): Mr. Speaker, I should like to speak briefly on second reading in support of this bill. A study of the results of the working of this law over a period of two years shows that 41,000 students obtained loans in the first year and over 50,000 in the second year. These figures definitely prove that there has been a need for this type of legislation and indicate that it has already played a national role in this country.

Students who obtained loans under this legislation had to meet strict provincial criteria. In some cases the criteria were narrower and more strict than they perhaps needed to be, making it difficult for some deserving students to obtain necessary funds. This is, however, a matter perhaps not completely under the control of the federal authority.

It is clear therefore that without this legislation tens of thousands of students would not have been able to pursue their studies in the manner they have been able to. The use made of this legislation demonstrates that without it we had not yet reached the stage where any student who could qualify, as suggested by one member of the official opposition, would have been able to obtain the necessary funds to pursue a university education. Contrary to what apparently was suggested by the same representative of the official opposition, I do not think there are many students in universities today who should not be there. I am sure the facts will show that the reverse is true and that there are many people not attending universities today who are quite capable of following university studies. There are many people who have accepted jobs which do not demand the full measure of their ability.

Surely the dollar cannot be used as a useful measure of vocational guidance. If we must have some system of vocational guidance in this country for directing or choosing people for attending university, the worst system of all is one related to financial circumstances. It seems to me, contrary to the views expressed by several members who have participated in the debate, that there is no reason why a student from a family of modest means should have to work after school or on week ends in order to obtain a university education when other students of more favourable economic means are able instead to study, read and partake in extra-curricular activities. I do not think any real

argument can be made today to support the suggestion that someone from a family of modest means should not have the same opportunity of using week ends and after school hours for studying as the student from a family of higher economic standard. We very seldom if ever hear those individuals who say there is something valuable and wonderful about struggling for an education suggesting that every student should earn every dollar required to obtain a higher education.

I have never heard anyone advance the argument that even a student from a family of means should prove that he has earned personally every dollar needed for his university education before being admitted. The fact that this argument is never advanced demonstrates that there is not necessarily any moral advantage in having to struggle for an education.

I support the concept that has been put forward in this house this afternoon of extending this type of legislation to those seeking higher education on a part-time basis or through evening courses. I also support the concept of making loans available to students living in Canada who are taking courses in countries other than Canada. In many cases the types of courses required are not available in Canada or in those Canadian communities in which the students normally live.

This legislation has already been of great benefit to tens of thousands of Canadian students and it is a step forward to the time when university fees, in the sense we think of them today, will be eliminated so that higher education will be available truly on the basis of ability rather than means.

There are all sorts of possible uses for every dollar the federal government has available. There are many requests forthcoming for federal assistance and in almost every case sound arguments can be advanced. The federal government must do everything it can, as must every level of government, to deal fairly with all requests for financial assistance. There is a special urgency to deal with the needs of those seeking higher education today. It is clear that only through the higher productivity which is developed by increasing the level of education and skill in our society can we generate the greater government revenues needed in order to extend our programs of social assistance for the aged and other needy groups in our society who are justly calling for more assistance today and will continue to do so in the future.

[Mr. Gray.]

• (4:50 p.m.)

I think it is also clear that no matter what the formal constitutional requirements may be at the present time with regard to taking into account the status of the provinces in matters of education, the federal government in general can be supported and should be supported in the use of its means and influence in making post-secondary education available to all Canadians on an equal basis no matter where they live in our country and no matter in what part of Canada they wish to study. Mr. Speaker, I support second reading of this bill.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it is not my intention to unduly drag on the debate on Bill C-197, an act to amend the Canada Student Loans Act, because, as everybody knows, the province of Quebec keeps out of federal plans in education. It insists that section 93 of the British North America Act which provides very clearly that education is a matter of provincial jurisdiction be complied with.

No matter whether it be in a western province, in a maritime province, in Ontario or in Quebec, education comes under the exclusive jurisdiction of provinces and not at all under federal jurisdiction.

A few moments ago, I heard members from the maritimes, for instance, or from western Canada, say how pleased they were that the federal government was intervening, meddling with the field of education, they were pleased. We have no objection if all the other Canadian provinces prefer centralization in the field of education, but we in Quebec do object to federal interference in provincial matters.

It is my sincere belief, Mr. Speaker, that the new Quebec provincial government, elected hardly two weeks ago, will jealously defend its provincial rights, making sure that education will be respected in the province of Quebec and that it will fall under provincial jurisdiction as provided under section 93 of the British North America Act.

Mr. Speaker, this does not mean that the federal government cannot provide assistance. The federal government can help the provinces to solve the education problem. And the only way to help solve this serious and thorny problem would be for the federal government to make available to the provinces the amounts required to provide for the education of young people in those Canadian provinces.

The federal government would then be respecting provincial jurisdiction or autonomy and acting according to its rights, for monetary policy is a federal and not a provincial responsibility.

The provinces are precisely complaining about the lack of money to help education in their respective territory. Let the federal government deal with the financial problem which is its responsibility, not by bills entailing running into debt which will force our students to meet financial obligations in four, five or six years, when they will face other and more important ones.

In order to allow these students to meet their other obligations, it is the duty of the federal government to help us financially to provide greater educational opportunities for our young people.

That is why—and most members of parliament, whatever party they belong to, know this—an economist named Robert Theobald, attaché or adviser of the government in Washington, advocates an advance salary for students, proving clearly that a student works for the future of his country as much as a factory or ordinary worker. Let the student therefore receive an advance salary, since he is valuable, representing for Canada a real source of future wealth and an almost incalculable potential.

If we consider the student as a real source of future wealth for Canada, why mortgage it, why make him run into debt by passing such bills? Why not provide education for all without exception, and give those who have the necessary qualities an advance salary to allow them to continue their studies?

Mr. Speaker, the federal government can play its part in this field, by giving to the provinces the financial means to administer their educational system; by enabling the provinces to make education available to all, not only to the rich or the average man but also to the poor among whom there are still a very large number of minds to cultivate and improve. We find some, Mr. Speaker, in all Canadian provinces.

We are now asking the federal government to play its part and not that of others. I shared the view of the former Quebec government as I share the opinion of the present Quebec government which would like to enforce the spirit and the letter of the law, with respect to education, without being discriminatory.

We are not asking for anything that would prove detrimental to the other provinces; we are asking that everybody and every province without any exception be treated equally. However, as I pointed out a moment ago, if the other provinces want to get together and centralize their education system here in Ottawa, they are free to do so, but we, in Quebec, are also free in this respect.

Mr. Speaker, in closing, I wish to point out that there is but one solution to the problem, not fifty. Loans to students amount to debts they have to repay and they will not save the situation. Students should be given advance salaries, and to do so the federal government could use the Bank of Canada to finance education in the provinces. Then it would not be necessary for the maritime provinces to come to Ottawa and ask how the children of Halifax, Saint John, N.B., or elsewhere will be educated. The maritime provinces could then administer their own education system which they could finance themselves, as in the western provinces and as we want to do in the province of Quebec.

• (5:00 p.m.)

In closing, I suggest that the federal government should work in its own fields to the solution of its own problems and give the provinces the financial and monetary latitude to administer provincial affairs, this to be applicable to any province in Canada.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, as to the merits of this bill I support in general what has been said by other members of this party. I think they have dealt with it adequately and successfully and little more need be said on that score. There is only one aspect I wish to bring up. The recent increases in wages and the recent welfare programs which have been introduced in this country have set the country off on a spree of inflation, and anything we can do to counter it by working toward increased productivity is all to the good. Therefore I suggest that to the extent that this program will in due course have that effect it is one which should be supported.

I listened with interest to the statement made in a very forceful and eloquent manner by the hon. member for Sherbrooke (Mr. Allard) on the constitutional aspects of this measure and its parent act, and to the statement made by the hon. member for Villeneuve (Mr. Caouette) who in general took the same stand. I think this is something which should concern us all. It is my view that the division of responsibility between the

provincial and federal governments should be likened to a stream of clear water with the boundary running through its middle. But the government has so badly muddied the stream's waters through a series of federal provincial conferences and through indecisive wavering from one side of the stream to the other that it is very difficult at times to decide on what side of this constitutional barrier we are. For that reason I think it behooves us, after listening to what was said by the hon. member for Sherbrooke, to decide whether or not he has made a point which deserves consideration. I give full credit to his constitutional and scholastic learning.

This is my position, Mr. Speaker. As a centralist and one who believes in one nation with the requisite strength to carry out the responsibilities which a nation should undertake I want the central government to have all the powers it requires to make it a viable unit. I look at this bill in the light of what has been said by the hon. member for Sherbrooke and if this house undertakes, in breach of the constitution, to intrude itself into areas where it has no business then my position must be just as strong in defending the rights of the provinces as it is in defending the federal strength in areas where it lies. I am a centralist who believes in a strong central government for one nation.

On examining this measure and its parent act I wish to note that parliament has ample authority and full jurisdiction with regard to matters dealing with banks and banking. The Privy Council in a series of decisions, in particular one involving litigation carried to that body as a result of legislation passed in the province of Alberta, gave to the words "banks" and "banking" the fullest and widest meaning. I would suggest that an examination of the original act indicates that this legislation contains to a very substantial degree measures concerning banks and banking. It simply qualifies and defines the type of person who is entitled to receive the benefits of the legislation.

If my memory serves me correctly, the only case I was ever able to find in which the right of the federal government to enact what is called the family allowance legislation was challenged was one in Quebec. I believe it was a court in Quebec which held that family allowances fell squarely within the rights of the federal government whose responsibility it was to raise funds by means of taxation and to distribute those funds as it did in the scheme contained in the Family Allowances Act. I think there is some comparison between that case and the present legislation.

This is the second aspect of the legislation which we consider can be supported. Any doubts on this score can be dispelled by an examination of the interpretation section of the original act. In section 2, subsection (1) (e), it is provided that a "certificate of eligibility" means a certificate in prescribed form issued by a provincial government. In subsection 1(k) it is provided that a "specified educational institution" means an institution of learning prescribed by a provincial government. In other words, as I read the pertinent sections of the legislation it is only when the provincial government and the proper authorities of that government see fit to prescribe the type of institution which can be covered and to give a certificate of eligibility to the student that he can become eligible for a loan. While I listened with great respect to the hon. members for Sherbrooke and Villeneuve, under those conditions I must say that I can see no reason why this parliament should not deal with these amendments as it did with the original legislation in 1964.

I have felt it necessary to make these remarks because of my very strong feeling with regard to the need to ensure that this parliament retains the full right to deal with those matters which are completely essential to the proper government of this nation and that there should be no interference with and impairment of those rights by any provincial government. I think it is equally incumbent upon us to be the guardians of the rights of the provinces in all of those areas which are undoubtedly and unrestrictedly under provincial jurisdiction. However, I suggest with great deference that this is not one of those cases.

• (5:10 p.m.)

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, whenever I have the opportunity to rise in the house to take part in the debate on a bill, whether Bill No. C-197 or any other, I always think of the French saying: "Criticism is easy, Art is difficult." This helps me to broach the question with moderation and matter-of-factness, and to criticize only in a constructive way, and not with overwhelming praise, in an effort possibly to improve the proposed legislation.

Mr. Speaker, I do not propose to speak at any length: Only some unconnected observations. I should like to endorse some statements previously made. I should also like to express

some opinions at a variant from those already uttered. For instance, I was astonished when I heard the hon. member for St. Lawrence-St. George (Mr. Turner), Member of the Administration, say that it was unfortunate to note that in the case of Quebec, there lacked what he called reciprocity. As if, for instance, Quebec students benefitting from certain loans, were to be deprived if they were to go and study in other Canadian institutions or in institutions outside Canada. That is not normal. On the whole, the purpose of this legislation is to help education, and it seems to me all opportunities should be given in any branch of learning which a Canadian student might wish to undertake. I myself have in my files many cases of students from my constituency who have complained of what might be called discrimination.

Now, with regard to the federal government, I think that this discrimination is much less prevalent and that there might not be any reason to intervene strongly even if there are still some cases which should be corrected.

The hon. member for Edmonton West (Mr. Lambert) stated that our universities are full of students who do not seem qualified. I do not know if that is the case out west, but in the provinces which I had the opportunity to visit, namely Ontario, Quebec and the Maritimes, I do not think that it is. I think that our institutions of higher learning are full, that is true, but it cannot be said that they are full of unqualified young people, far from it, because I go as far as thinking that quite a large number who would be qualified, who would like to continue their studies are refused because facilities are lacking. It might be a good idea then to step up also the financing programs for the development of universities or the construction of new schools.

Mr. Speaker, a little earlier I listened to the hon. member for Villeneuve (Mr. Caouette) who said this, more or less: Each government should mind its own business. He repeats it differently: Cobbler stick to your last. There seems to be something illogical in what he was saying. After stating that he had nothing to complain about as far as the province of Quebec was concerned, since it is not covered by this bill, he insisted strongly on the fact that the provincial jurisdiction should not be interfered with.

I agree with him, just the same, that if our friend from the Ralliement Créditiste succeeded in solving what can be called the financial problem, or in operating the financial reform, there might be fewer problems, but I am not competent enough in that field and I have no suggestion to offer him. I listen to him with great interest but I must admit just the same that I do not see yet any practical conclusion, even if I see some very theoretical ones, to his undertaking.

Mr. Speaker, I come to another remark made a while ago by a member of the opposition. He said, and I had noticed that myself in the legislation, that those loans must be granted simply for students who register in institutions approved by the provincial governments. I feel that such an intervention is not warranted. I think that the limits should be extended. I even believe that if it wanted to no longer lay itself open to criticism with regard to constitutional matters, the federal government should try not to interfere and the provinces should do the same thing.

Mr. Speaker, I should like to say a word about the attitude of my colleague, the hon. member for Sherbrooke (Mr. Allard). Hon. members might find amusing that, apparently, I do not share his opinion; this simply proves that we are two independent members but, by and large, my opinion is not so different from his. Now, my colleague, the hon. member for Sherbrooke, a constitutional law professor, an expert in constitutional law and a perfectionist, at least in matters pertaining to the constitution, somewhat reminds me of what goes on in most Christian religions. Some Christians try, in good faith, to be as virtuous as they can, although not necessarily trying to be heroes; on the other hand, some religious orders tend toward perfection, often with an exemplary stubbornness which is not always realistic.

I think the hon. member for Sherbrooke is probably right in raising his voice every time constitutional matters come up in the house, but the laymen, and I among them, who are not too familiar with the fine points he discusses, believe he should be a little more realistic.

Students today should not be deprived of what they are entitled to, while endless constitutional disputes go on. As far as I know, these arguments have been going on for the past 30 years and there are just as many problems today as there were then or will probably be for the next 25 or 30 years. Therefore, I think that today's generation should not be deprived, on account of constitutional scruples, of that to which it is entitled.

Now, some maintain this is interference in the field of education on the part of the government. With my little knowledge—Mr. Chairman, I admit my incompetence—I do not think this is federal interference in the field of education. It seems to me that the ten provinces have their own education departments and look after their education problems. The only thing is that the federal government is putting what I call a temporary measure, which will certainly not last indefinitely, at the disposal of the provinces that do not have the financial resources to provide for the needs of their students.

Until these constitutional problems are settled—it is to be hoped they will be settled one day—I for one once thought that the time had come to do so, but I note, for instance, that we should start by being in agreement in the province of Quebec.

There are two or three trends, and I believe that as long as Quebeckers do not learn to agree among themselves, at least on what they require as standards in the Canadian constitution, it will be quite difficult for them to sit together with Canadians of other provinces to try to reach a formula. Otherwise, we could have the opinion of a group, and the other would not be satisfied. I think that the time has not yet come.

Mr. Speaker, I now come to my main conclusion, while hoping that these constitutional questions will be settled as soon as possible.

The federal government must fully carry out its responsibilities under the constitution. The federal government has understood since it entrusted the province of Quebec with administering this student loans fund. Thus, the matter is settled from the constitutional standpoint. If the other nine provinces want to carry on with the central government—I am under the impression that agreements have been reached with the federal government—then there is no violation of the constitution or if there is, it is by mutual consent of the parties concerned. As I am from the province of Quebec, I have nothing to say about what is going on in the other provinces.

But, Mr. Speaker, I maintain that the federal government should encourage banks to grant loans to sututdents, until education is free at least at the upper level. That would be desirable until we have what has been called the advanced salary. The federal government should encourage loans and should force banks and caisses populaires to lend money to students for education purposes.

[Mr. Mongrain.]

And all this bona fide, without any federal or provincial control or restriction. Any Canadian businessman can borrow from the bank to operate his business, to make improvements to his buildings, he can get a long-term loan, for four years. Now, why should the federal government not give the banks the right to make 10-, 12- or 15-year loans to students who want to prepare themselves to become leaders in the Canadian community, and why could the government not intervene, by paying the interests for instance? If the total amount of loans came as high as $58 million—it could reach $75 million with the additional amounts that would be authorized in each case—and even $100 million, or yet $200 million, that would mean that at 5 per cent interest, the federal government would pay out $10 million interest annually. It would be paying very little to train the experts we need. We are being told that we lack almost 1,500 to 1,800 technicians and engineers every year in Canada.

I feel the government should make such loans easier to obtain and do away with the red tape such as we find here: "such amount must not be exceeded; the institution must be approved by the province—". Why not let the student attend the school of his choice where he may get the specialized training he needs to become a leader. Let us help him by paying the interest involved and extending the period of repayment until he begins to earn his living. On the other hand, he should be assured that if death or illness should prevent him from repaying his loan, his estate or his family would not be charged the costs he incurred to attain a higher level of education enabling him to be a Canadian, a leader. In short, Mr. Speaker, those are my views on the subject.

In conclusion, I say that the government proposal contained in Bill No. C-197 is a worthy effort which should surely be encouraged, even though it is still not perfection itself, keeping in mind that it is easier to criticize than to accomplish, in the hope that the government will implement all the constructive suggestions made to help it attain perfection in that field, since it is one of the most vital fields requiring our attention without delay.

[*English*]

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, if I may have the consent of the house to close the debate on second reading, as I am acting for the Minister of Finance—

• (5:20 p.m.)

Mr. Diefenbaker: Mr. Speaker, if the minister is acting for the Minister of Finance and wishes to conclude the debate, then I want to say that there are other members who wish to speak on this subject. I do not want to utilize my opportunity at this moment, but with the departure of the minister I thought that on a matter as important as this the government might feel constrained to move the adjournment of the debate. I think that would be the proper course. It is not very conducive to parliamentary debate to continue in the absence of the minister. I know he has to be away but my understanding was that the debate would be adjourned until his return. However, I do not know whether I have any foundation for that belief.

Mr. Robichaud: Mr. Speaker, if we cannot get unanimous consent I believe there is no alternative but for me to move adjournment of the debate at this stage. Therefore I move that this debate be now adjourned.

Motion agreed to and debate adjourned.

CUSTOMS TARIFF

On the order:

Second reading of Bill C-200, an act to amend the Customs Tariff—the Minister of Finance.

Mr. Monteith: Mr. Speaker, I think it was probably intended that the customs tariff and excise tax bills should be left over until the return of the minister also.

Order stands.

CANADIAN FILM DEVELOPMENT CORPORATION

PROVISION FOR DEVELOPMENT OF FEATURE FILM INDUSTRY

Hon. Judy V. LaMarsh (Secretary of State) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish a corporation to be known as the Canadian Film Development Corporation for the purpose of fostering and promoting the development of a feature film industry in Canada; to empower the corporation to invest in individual Canadian feature film production, to make loans to producers thereof, to make awards for outstanding accomplishments in the productions of Canadian feature films, to make grants to film-makers and film technicians, to otherwise advise and assist the producers of Canadian feature films; to provide for the administration of the said corporation; also to appropriate for the purposes of the measure a sum of $10 million to be paid out of the consolidated revenue fund from time to time and to establish in the consolidated revenue fund a special account to be known as the Canadian film development advance account to which amounts may be charged or credited as the case may be.

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

Miss LaMarsh: Mr. Chairman, this resolution has been on the order paper for some weeks and arises by virtue of the announcement made in September last year by my predecessor. This is the first opportunity the house has had to deal with the matter. Perhaps I might deal with the thought behind the resolution and the bill which it will support.

I am informed that in Canada there are some 1,400 movie houses which offer film fare to local patrons. At the box offices of these cinemas something close to 100 million admissions will be sold this year. By the end of the year audiences will have seen several hundred different feature films. Of that total fewer than half a dozen, perhaps as few as two or three, will have been made in Canada by Canadians.

The fact is that there is at this moment no feature film industry in this country. It is true that there is an occasional full-length motion picture made, usually on a very modest budget; but there is no continuity of production and no industry as such. Hence there is no real opportunity in this universally popular medium for Canadians of talent and technical skill to make their careers.

Several factors account for our dependence on entertainment films from abroad. We in Canada have always been keen moviegoers, but our home market simply is not large enough to sustain domestic film production at an economic level. The importation of foreign films has never in this country been restricted and our screens have always been amply supplied—one might even say inundated—with films of all levels of quality from the vast output of the studios in the United States of America and Europe. Against this kind of overwhelming competition Canadian producers have never been offered by their government compensating advantages.

Elsewhere the governments of nearly every country except the United States have recognized that the growth, and indeed the very survival, of a national film industry will require state support. This takes a number of forms in different countries, including remission of entertainment taxes, grants tied to the

level of box office activity, awards for quality, guarantees and various kinds of help in financing of productions. One or another form of assistance is available to producers not only in countries of relatively small population but even in the larger countries as well such as Britain, France and Italy.

In recent years film activity in Canada has grown steadily, but motion picture companies are engaged almost entirely in making industrial and documentary films and television commercials. Films of that kind as well as feature films call for a wide range of skills and technical facilities of the first quality. With the kind of knowledge and experience gained in that way an increasing number of film-makers and technicians are seeking to move into the field of major productions.

The creation of a major feature film industry will offer to Canada a new dimension of opportunity for those who are engaged in all branches of the performing arts. There are in Canada many fine actors and actresses, dancers and singers, who appear on stage and on television, and behind them are many theatrical crafts, such as set and costume designing, lighting and sound technicians, whose prospects should be very materially enhanced by this program.

[*Translation*]

May I, Mr. Chairman, emphasize the major contribution my colleague, the hon. member for Outremont-Saint-Jean (Mr. Lamontagne), and the former Canadian film commissioner, Mr. Guy Roberge, now delegate general of Quebec in London, have made in the launching of this project.

My predecessor as Secretary of State initiated this plan to help the film industry. The Canadian film industry will owe him the financial machinery required for its establishment and development.

The Canadian people as a whole have him to thank for making available such an essential cultural medium.

Without the enthusiasm and the devotion of Mr. Guy Roberge, the seventh art might still be marking time.

Indeed, it was under his capable chairmanship that an interdepartmental committee set to work and, in August 1965, submitted a report that served as a basis for this bill.

I am confident the house will join me in expressing our thanks to these two promoters of Canadian culture.

[Miss LaMarsh.]

[*English*]

After close study of the existing situation and assessment of the potential of Canadian creativity, the government is introducing this new measure to promote and help the growth of the film industry. It is proposed to establish a $10 million development fund and to set up a business corporation to administer it.

Because the production of a feature film is a high risk undertaking, Canadian film-makers encounter great difficulty in obtaining sufficient financing to enable them to undertake major projects. The new agency will be empowered to invest in film productions which, in the judgment of the corporation, show promise of being intrinsically worthy and likely to succeed in commercial distribution. By the terms of investment the corporation will share in the proceeds from the distribution of the films and will be entitled to reinvest this income in further productions. The corporation may also meet some part of film budgets by loans to producers. To encourage and maintain continuity of the industry, awards are to be available for outstanding achievement in feature film productions. Film-makers and technicians may receive grants as well to assist them in improving their skills through study, experiment and research.

• (5:30 p.m.)

We should, Mr. Chairman, be under no illusion about the difficulties which Canadian producers will face in building up a commercially viable industry in this country. They will have to make it commercially viable by exporting their work, which will have to be done by virtue of profitable distribution arrangements. Canadian films must prove good enough to win their own place on world screens.

Even in Canada home producers will continue to face stiff competition from imported films. Many countries, in order to encourage the distribution of their own films, have applied quotas. This has guaranteed to their own producers a certain share of the market. We have chosen, however, not to introduce this kind of restriction in the bill at this time. Canadian films must, therefore, make it on their own merits. But in rejecting quotas we are counting on film distributors and cinema chains to give more than ordinary support to the aims of this program. It is extremely rare for a feature film to begin its screen career in Canada. Every important film reaches our theatres on a wave of publicity

which is started well before we see it in Canada. Canadian films will lack that advantage and must therefore have bigger and more aggressive promotion by distributors and exhibitors here and abroad.

Canadian producers will have to give the closest attention to the problems of distribution abroad. In the questions I am asked today it seems to me that ones relating to distribution arise most frequently. In Canada there are already companies in this field which have valuable links with other markets in other countries. It is intended that the film development corporation should help facilitate trading arrangements. Canadian producers will need the good will and good offices of these established interests to ensure that film distribution becomes a two-way process in Canada.

The production and distribution of feature films is increasingly international in character, the product of agreements between collaborators in separate countries. This device of co-production can have marked advantages for the Canadian producer. The joint resources of the producing organizations provide a wider choice of talented performers, directors and technical participants and effectively strengthen distribution of the completed film. These should prove especially important considerations in the early stage of the industry, which we hope will soon begin to grow.

The goal of this resolution goes well beyond the immediate practical aim of giving financial support to the development of film production. Motion pictures are an important element in our cultural life. They should serve a national purpose and reinforce our Canadian identity. Over the years Canada has achieved an enviable reputation for the quality of documentary and short films but not for feature films. It is time the gap was closed and that audiences everywhere, within and outside the country, should come to know the range and the depth of our Canadian expression.

I suppose there is not a child in the country who cannot mention at least one screen luminary of the past 50 years who has come from Canada. Unhappily our artists have all had to go in the past to France, the United Kingdom or to the United States in order to find opportunity and gain recognition. A flourishing feature film industry will give Canadian film-makers, performing artists and technicians of all crafts associated with film-making a role to play in the cultural development of the country. It will be a stimulus for authors and composers to direct their creative energies to a new field. The process of making motion pictures and the wide exhibition should serve to bring Canadians into a closer and more fruitful association and help us to gain fuller awareness of our immense spiritual resources.

It is not intended, Mr. Chairman, that the $10 million fund to be set up should be used to make two or three men rich. It is not intended that we assist in the commercial development of an industry already well able to stand on its own feet. On the contrary, it has been demonstrated that in Canada the film industry has not been able to stand on its own feet by virtue of our small population and huge geographical expanse. Nor is it intended to hand this money out to individuals as a sort of charitable assistance. It is intended and hoped by the government to assist in this country, along the lines followed in other countries, in the bringing about of a viable industry. That industry will have to export. We think that Canadian artists, directors and technicians have something to say which the world wants to hear. We as the government are prepared, should the house agree, to assist them in saying what they have to say to the whole world.

Mr. McCleave: Mr. Chairman, may I set the hon. lady's mind at rest by indicating to her that we of the Conservative opposition support the resolution she has just presented. When I examine the resolution I think of the phrase, "excite the bold and encourage the daring", which was used some time ago. This resolution is the first manifestation of those words. What the minister had to say about legislating artistic and fiscal success in such a high cost industry as the motion picture industry is refreshing. It is also refreshing to hear that a fairly toughminded approach is going to be taken toward this problem, and for that the minister is to be commended. However, I must ask whether it is possible to legislate artistic and fiscal success. I shall have several other questions to ask in my brief contribution to this debate.

I should like to see this corporation placed on as firm a foundation as possible consistent with good business practice. This is good Conservative philosophy. We should like to break the four minute mile record but as Conservatives we want to see that the track is well laid before starting down it because we might break our necks.

Most of the problems to be solved were detailed by the hon. lady in her contribution. She said that we have small audiences in Canada in relation to the cost of the product we wish to develop and that we would have to show these films abroad if they were to be successful financially. We shall expect that some films will never pay their way but this should not be a criterion against producing them. I think financial loss should simply produce a go slow sign against accepting any idea from any production source.

There is the problem of getting the films into the mainstream of the 1,400 Canadian theatres that the minister mentioned. She indicated that while the quota system would be initially rejected and the distributors, which are largely United States companies, would not initially be required to show a certain number of Canadian films in Canadian theatres, this aspect would be reviewed. I commend this approach. If hinting to the distributors does not work we may have to take a second look at this matter.

The point that occurs to me is that the Canadian Film Development Corporation must be set up very carefully. Personnel should not be appointed to this corporation as a reward for some misadventure on the political scene. They will have to be knowledgeable people. They will have to be people not only from the world of the arts but also from the world of business.

• (5:40 p.m.)

We have themes in Canada which suggest themselves for production. I think of Laura Secord, that fine, homespun heroine whose memory marches on in the pages of history books and on the covers of candy boxes. I would not wish on the minister the chore of walking through the woods leading a cow and shouting "Excelsior, the Americans are coming." There might be a danger that wide-eyed amateur enthusiasts would take to the corporation themes which, while of great Canadian interest, would not prove to be artistic successes. We look at the films which are successful today and I am sure the heroines are far removed both bodily and spiritually from heroines like Laura Secord.

Mr. Grafftey: Explain.

Mr. McCleave: I will not fall into the trap set by the hon. member for Brome-Missisquoi by explaining further. I had thought of a heroine for a film dealing with very current Canadian history. But I forbear. She did live in Canada for a while.

[Mr. McCleave.]

An hon. Member: It might be a smash hit.

Mr. McCleave: There is the question of investment in Canadian films. When I first saw the resolution I considered alternative approaches which might be used to ensure that finance was made available for Canadian productions without tying up part of the federal revenue. I thought of insured loans from the banks. Then I decided this would be impracticable because some films would obviously take a long time to break even and bankers do not want to wait a long time for their money. A second approach could be through an institution such as the Industrial Development Bank on a longer term basis. Perhaps what the minister proposes, a corporation with a certain amount of money of its own, will achieve the same result if certain of the principles applied by the Industrial Development Bank are followed.

I do think we need certain principles here. The minister has indicated it will not be possible for everybody to come off the street with an idea and have that idea translated into an expensive film production. I think she is definitely on the right track there.

I wonder whether the hon. lady has recognized that the cost of film-making is high. We read every week about United States productions which began with budgets of a few million dollars and ultimately went over the $10 million mark. In short, I doubt that the $10 million suggested by the minister will be adequate to accomplish all she hopes may be done. Perhaps at a later stage in this debate there will be some indication of the budgeting proposals in connection with the operation of the Canadian Film Development Corporation.

Another suggestion I wish to make is that we should have the benefit of the views of those now engaged in the film industry in Canada. I realize they have made representations to most, if not all, of the parties in this house and that in general they are in favour of the setting up of the Canadian Film Development Corporation. After all, they have made films in this country for some years. They could tell us about the costs likely to be involved, distribution problems and so on. It is for this reason that I suggest the bill should be referred to the committee on broadcasting, films and assistance to the arts where we could hear the views of some of these film companies on the legislation.

I think it has always been recognized that the maintenance and fostering of Canadian arts must often receive generous support

from the state. We are breaking no new ground here. I support the resolution. I say that we in Canada have the talent and that it is now up to us to encourage it in connection with the important film production industry.

Mr. Prittie: Mr. Chairman, we join in welcoming this legislation to help establish a Canadian feature film industry. It will not guarantee its establishment but it may make it possible. The minister dealt briefly with the reasons we have not had a feature film industry in Canada. She correctly mentioned our proximity to the United States. The Americans have produced so much in English on film that we have not made the effort. I think this is true of many fields including scientific and educational research. So much has been going on in the United States that we in Canada have felt there was little use trying to compete.

This branch-plant thinking is part of the answer but I do not think it is the whole answer. Lack of ownership and control of Canadian movie theatres is one factor. The minister said there were 1,400 motion picture theatres in this country. Very few of these are Canadian owned and the whole question of profitable film production is closely tied to the facilities available for distribution.

The minister also mentioned the number of Canadians who will attend motion picture theatres this year. I do not recall whether she told us how much money they would spend, but over the years a very large sum has been accumulated by motion picture theatres in Canada and as far as I know none of it has been plowed back into the Canadian motion picture industry as has been done in a number of other countries.

It has been said that if the majority of people in Canada spoke some tongue other than English we would by now have a film industry in this country. The fact that we speak the same language as our giant neighbour has been an inhibiting factor.

Look at what has been happening in some other countries. Consider Sweden which has a thriving motion picture industry. If the Swedes are to have films in Swedish, that is the only place where they can be made. If the people of Holland are to have motion pictures in which the actors speak Dutch, then obviously they will be produced in Holland as, indeed, is the case. Surprisingly enough, Hong Kong, a British Crown colony, is one of the leading film production centres of the world. I say nothing as to the quality of these pictures but certainly the quantity is great. The other great United States neighbour, Mexico, has a much larger film industry than we have in Canada although it can get films in the Spanish language from many places in the world. Again, this suggests a close relationship between film production and the language spoken. Necessity is the mother of invention. This adage often occurs to me when I think of the French language productions of the C.B.C. in the television field.

• (5:50 p.m.)

At the time the French television network of the C.B.C. was started there was practically no French language television in the world. France had just begun its television program but there was no French television in Switzerland or in Belgium. Our people had to produce television programs from their own resources. They did so and produced some very good programs. Now there is a large corps of technical people, producers and artists in Montreal and it is the leading French language television production centre in the world. Again it is a question that if one has to do it one can do it. The talent is here in Canada.

The reason these people were successful was that the market was assured. Their own network took up the programs they produced. The distribution of their production was excellent. This is an all-important question to which I will refer later.

We in Canada have a film industry, both public and private, but not a feature film industry. The National Film Board has been in production for a great many years. Its work is well known. Its quality is good. It has won many awards in different parts of the world.

We also have a private motion picture industry in Canada producing films of different types including television films, commercials, industrial films, training films and films for government departments. The people in that industry have built a number of studios throughout the country which are quite adequate for feature film production and they have the necessary technical and directing staff.

Both the National Film Board and the private companies have provided a good training ground for Canadian personnel who can be used to produce feature films. A number of the private companies are well known for their technical excellence. Crawley Films of Ottawa are known throughout the

world for the type of work they do. Incidentally, they have produced at least one feature film. "The Luck Of Ginger Coffey", which is now getting commercial distribution. I know the actors were imported for that film and also the director, I believe, but the company put up much of the financing and the resulting film has been shown in different countries.

A number of French language feature films have been produced in Montreal. One which is receiving commercial distribution at present, "A Tout Prendre", was produced by Claude Jutra. It has been shown by the C.B.C. and is at present playing in New York. All this shows that we have the ability to do these things in Canada, but the production of non-feature films by the film board and the private companies has not been sufficient to keep some of our best people in this country. They are working in London and Hollywood. Some of the ablest Canadian producers were trained by the National Film Board or the C.B.C. I refer to Norman Jewison, Sydney Newman, Graeme Ferguson and Sidney Furie who, as I say, are working in both London and Hollywood.

One remarkable man among those I have mentioned is Sidney Furie who is now a leading producer in the United Kingdom. This man was so interested in making feature films here in Canada that he produced two with whatever type of financing he could obtain.

In this connection I wish to quote briefly from a broadcast I heard a couple of years ago on this subject. It was made by Gerald Pratley in July, 1964, and referred to the efforts of Mr. Furie:

> Most of you know what happened to Sidney Furie. He was determined to make films. With the assistance of family and friends he raised the meagre sum of $50,000 and made, "A Dangerous Age," in 1958, the story of a young couple who tried to get married too early in life. When it was finished, and it wasn't a bad little film by any means, he found he couldn't get it shown in Canada. By this time I should add we now had a circuit of British controlled cinemas, the Odeon, formed by Lord Rank, because British films found it difficult getting a showing in this country in the face of American competition. An official of the Rank organization in Canada told Furie that he would never get his film shown anywhere in the world; it was not good enough. Turned down by other exhibitors in Canada, he went to England where he sold his film and where it was shown by none other than the Rank organization in its Odeon theatres.
>
> Furie came back to Toronto and made another film, "A Cool Sound From Hell". His ambition was to break the jinx which hangs over film production here, to make his name in Canada and to give Canada a reputation as a film producing country, and above all, to make it easier for those who came after him. But he couldn't get his second film shown either. This time, when Furie went to England with it, he remained there.

I would like to think that when this new feature film corporation is established Canadians like Sidney Furie, who have shown this type of initiative and raised capital on their own, will have the assistance which they deserve.

The minister stated that there would be no quota system established but she did say in quite strong terms that the established distribution companies would be expected to give some co-operation in the distribution of Canadian films, always provided of course that the films have some merit. This is important and I would agree with the minister on this point. I have done some reading on the matter of quotas as they are applied by other countries and if we can get some other system to distribute our films so much the better.

I certainly hope co-operation will be forthcoming because without distribution we need not think about establishing a feature film industry. It occurs to me that the C.T.V. network can also be of some assistance. Every year it buys hundreds and hundreds of films. Some of them do not have much merit but they are bought in a package.

When we are given the bill I shall be interested to see if there is anything in it with regard to Canadian content. There is such a provision in the United Kingdom. If a producer there wants to benefit from any government assistance, quite specific percentages as to British content are required respecting actors, production staff and so on. This prevents a foreign company from simply setting up a dummy corporation to take advantage of whatever government aid may exist. The question of Canadian content should not be overlooked.

As the hon. member for Halifax has said, different people from the film industry have been here to interview members interested in this subject. They have made certain suggestions about what would be a reasonable Canadian content in order to qualify for the aid which will be available through the film corporation.

This legislation and aid it provides have been a long time coming. It is regrettable that for so many years so much money has been taken out of Canada by the film industry without any coming back. But we are

pleased that finally this step is being taken to give assistance to those Canadians who want to make a name for Canada in the feature film industry.

[*Translation*]

Mr. Laprise: Mr. Chairman, may I call it six o'clock?

[*English*]

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

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows: The hon. member for Digby-Annapolis-Kings (Mr. Nowlan), National Defence—making of speeches on politics by armed forces personnel; the hon. member for New Westminster (Mr. Mather), Old Age Security—request for statement in increased pensions; the hon. member for Okanagan-Revelstoke (Mr. Johnston), Immigration—Vancouver—deportation of Japanese girl.

TRADE

ATLANTIC PROVINCES—NEW ENGLAND STATES AND WEST INDIES—SUGGESTED PROMOTION

On the order: Notices of Motions:

That, in the opinion of this house, the government should consider the advisability of taking an initiative in promoting increased trade between the Atlantic provinces and such traditional market areas as the New England states of the United States and those islands formerly comprising the British West Indies.

Mr. Nesbitt: Mr. Speaker, with reference to motion No. 23, which is first on the list today, may I say that the hon. member for Queens (Mr. Macquarrie) is unavoidably absent. I wonder whether by unanimous consent I could request leave on his behalf to have this motion retain its present position on the order paper.

Mr. Deputy Speaker: Does the house give unanimous consent to allowing motion No. 23 to retain its present position on the order paper?

Some hon. Members: Agreed.

CANADIAN FORCES SUPERANNUATION ACT

SUGGESTED EMPLOYMENT OF PENSION RECIPIENTS IN PUBLIC SERVICE WITHOUT BENEFIT LOSS

Mr. D. W. Groos (Victoria (B.C.)) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Canadian Forces Superannuation Act so as to permit all persons who are in receipt of pensions under the provisions of the said act to enter into employment in any branch of the public service of Canada without suffering loss of pension benefits.

He said: Mr. Speaker, the subject matter of my notice of motion is partly under consideration as a result of government Bill No. C-193. In accordance with the rules of this house I should withdraw my motion and I shall do so, but before I do I hope you will permit me to make a few remarks about the Canadian Forces Superannuation Act and pensions generally.

It is being proposed that two sections of the act be deleted which have been working against retired servicemen who wish to work for the government in not permitting them to draw full pension as well as full pay. As I understand the situation, a section will be substituted which will permit the Governor in Council acting by regulation to consider various cases. At the present time the act states that warrant officers second class and above or their equivalent ranks and chief petty officers second class and above may work for the government but their pay and pension combined must not exceed the present level of pay for the rank they held on retirement.

Mr. Chatterton: Mr. Speaker, I rise on a point of order. Did I understand the hon. member for Victoria, B.C., to say that he is asking for leave of the house to withdraw his motion? If that is so I should like to raise the question of the hon. member being allowed to speak now.

Mr. Speaker: My understanding is that the hon. member has made a motion and that motion is now before the house. He has indicated that eventually he will ask leave of the house to withdraw it and at that point he will require the unanimous consent of the house. At the moment he is speaking on the motion itself, as I understand it.

Mr. Groos: I will be very brief in my remarks because I am interested in the motion to come before the house immediately following this one. All I wish to say at this

point is that I will be watching very closely to see how the government acts in respect of the changes proposed. I believe that half a loaf is better than none but I am afraid we are buying a pig in a poke. When the government comes to acting on this change in the regulations, having deleted two offensive sections, I hope it will leave it so that an individual who has earned a pension and has decided to work again for the government will be entitled to receive a full pension and not have it diminished in any way by regulation. I should now like to ask leave of the house to withdraw my notice of motion.

Mr. Chatterton: Mr. Speaker, I want to indicate that I give my consent to the request of the hon. member, but that I will have something to say about the motion to which he has referred when it comes before us.

Mr. Speaker: Does the hon. member have unanimous consent to withdraw motion No. 27 standing in his name?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

PENSIONS

SUGGESTED ADJUSTMENTS TO COMPENSATE FOR INCREASED LIVING COSTS

Hon. R. A. Bell (Carleton) moved:

That, in the opinion of this house, the government should give the earliest possible consideration to the advisability of adjusting upwards the pensions of superannuated public servants and of superannuated members of the armed forces and the Royal Canadian Mounted Police to take appropriate account of increases in the cost of living, increases in salary levels and other relevant factors occurring since the rates of pension of such persons were determined.

He said: Mr. Speaker, there are a number of members of this house who would have liked to speak on the last motion, including the hon. member for Esquimalt-Saanich (Mr. Chatterton), the hon. member for Halifax (Mr. McCleave), the hon. member for Winnipeg North Centre (Mr. Knowles) and myself. However, we are very glad indeed to have an opportunity of debating this particular motion.

Three times already during this session I have initiated debate on this issue and since I have no desire whatever to be repetitive my remarks will not be extended now so that other members will have ample opportunity to express their views. But this warning I proclaim; I intend to persist in pressing for rectification of the hardships and injustices

visited upon the retired civil servants of this nation until this or a succeeding government acts and acts decisively.

So far this session the Prime Minister (Mr. Pearson) and the Minister of Finance (Mr. Sharp) have adopted an adamant, yes, an inflexible and stubborn attitude. The first glimmer of hope came last Friday when the Minister of National Revenue (Mr. Benson), in reply to a question from the hon. member for Winnipeg North Centre, suggested that the terms of reference of the special joint committee on the public service be extended to include this subject, and I wish to quote from page 6543 of *Hansard* where the minister is reported as follows:

Mr. Speaker, I certainly would have no objection to doing that providing the committee completes the huge amount of work it now has before it in considering four very complicated bills.

With that incentive I am sure the committee will be most willing to complete its work as rapidly as possible, and I suggest to the minister that this resolution might be referred to that committee. Indeed, I would welcome an amendment from the other side to that effect.

• (6:10 p.m.)

The hardships and the injustices of retired civil servants have been clearly demonstrated in many briefs presented to the government and in arguments in this chamber. Pensions paid for in hard dollars have been eroded by creeping inflation and, indeed, by not so creeping inflation. The dollars drawn in superannuation in many cases are worth less than 50 per cent of the dollars used to buy the benefits. Elderly people watch helplessly while their lifetime savings dwindle into insignificance. There is really only one issue before us in this chamber. Have the government and the people of Canada any obligation or responsibility to these retired civil servants of the crown or is it just a simple matter of contract between crown and servant and must the servant endure the dirty end of the contract?

I say, Mr. Speaker, that there is an obligation, a vital, blinding, moral obligation which this government cannot escape. The issue was really resolved in 1958 by the previous government when it enacted the pension adjustment act. This set a clear, unequivocal precedent. Basically what is needed is conformity to that precedent today, the updating and modernization of the legislation of the former

government headed by the right hon. gentleman from Prince Albert whom I have already described in earlier debate as the best friend in politics the retired civil servant ever had.

Canada is not the only country to face this issue. The other day I put on record some statements of principle uttered by the chief secretary of the treasury in Britain when introducing the latest pension increase in that country. They are words which I wish the Minister of Finance would take to heart. Britain had legislation increasing pensions in 1920, 1924, 1944, 1947, 1952, 1954, 1956 and 1962 as well as the latest in November of 1965. No one in that country argues any longer about contract and strict adherence to the letter of the contract. They act to bring justice to their retired public servants. The latest bill in November of 1965 was designed primarily to increase existing pensions, for example, a pensioner's original pension plus increases authorized by previous legislation of a similar nature, commencing on January 1 of this year.

The percentages by which existing pensions in Britain are to be increased are as follows: For pensions beginning on or before April 1, 1957, 16 per cent; between April 2, 1957, and April 1, 1958, 14 per cent; between April 2, 1958, and April 1, 1959, 12 per cent; between April 2, 1959, and April 1, 1960, 10 per cent; between April 2, 1960, and April 1, 1961, 8 per cent; between April 2, 1961, and April 1, 1962, 6 per cent; between April 2, 1962, and April 1, 1963, 4 per cent; between April 2, 1963, and April 1, 1964, 2 per cent. That, sir, is the situation in Britain.

In the United States legislation was passed during 1965 to provide for certain increases effective December 1, 1965. This legislation was designed in part to remove certain anomalies arising out of previous legislation of this nature and establishes a totally new basis for automatic adjustment in the future. This I want to emphasize, that in the United States adjustment in this field is automatic in the future without further legislation by Congress.

Apart from some special provisions related to survivor benefits of employees who died prior to April 1, 1948, the main adjustment is to increase annuities which commenced on or before October 1, 1956, by 11⅑ per cent and those which commenced after October 1, 1965, but no later than December 1, 1965, by 6⅑ per cent. These are in addition to increases authorized by previous legislation. Apart from a transitional provision for those retiring between December 1, 1965, and December 31, 1966, the general rule for increases in the future is that whenever the cost of living nationwide goes up by at least 3 per cent over the monthly price index used as a basis for the last previous cost of living annuity increase and stays up for at least three months in a row, an increase equal to the percentage rise in living costs will be granted automatically. This permits such a change to be made at any time during the year whereas the previous law in the United States permitted such a change only on April 1 after a 3 per cent increase since the previous adjustment had taken place.

In Australia retirement payments have been increased from time to time. The latest act in that country which I have seen is the superannuation (pension increases) act assented to October, 27, 1961, a copy of which I have in my hand. The increases are expressed in terms of the old Australian currency, namely, pounds, shillings and pence, and I confess that I am unable to work out the percentage increases. But what is clear, and this is the only issue before us, is that while there is no automatic adjustment to the cost of living there has been a periodic review and a positive acceptance in Australia of the principle of upward revision and adjustment.

In France provision has been made for automatic adjustment in line with general increases given to active civil servants. So the situation exists generally in most western countries. At least four Canadian provinces have taken action to increase the pensions of their retired public servants and several municipalities have done so also. That is why I say this principle has been clearly and positively established.

I am not unaware of the argument which the Department of Finance makes from time to time and which had its most logical spokesman in other days in this house in the persons of Mr. Ilsley, Mr. Abbott and Mr. Harris. They argued that any increase would be favouritism to retired civil servants over other groups of older Canadians faced with the same difficulties due to the decreasing value of their pensions or retirement savings under inflationary conditions. I remember Mr. Abbott putting it very bluntly in argument that the government had in fact fulfilled its contractual obligations to its former employees and that having done so it had no greater obligation to retired civil

servants than to other needy pensioners. As I recollect, he raised the whole issue of the extent of the obligation of a democratic government to indemnify its citizens against the decreasing value of currency.

Whatever theoretical validity this argument may have, I believe it to be wholly fallacious in practice. The pragmatic, practical approach requires, I submit, a much more humanitarian attitude, more of what I may style as being the approach of the model employer, which the government and the people of Canada ought to be. So, sir, I say that the principle of such increases is well established The precedents are manifold. The time for the government to act, I suggest, is now. If it is not ready for immediate action, I urge the government and hon. gentlemen opposite to refer this resolution to the special joint committee on the public service for further study. I say to hon. gentlemen opposite that they simply cannot just stand pat on this issue. The status quo is not good enough.

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I am going to speak briefly in support of the principle of this motion. It is a matter which I have brought to the attention of this house on previous occasions, as of course has the hon. member for Winnipeg North Centre (Mr. Knowles). I am glad to know that we are by no means alone in supporting the principle of relief for the faithful, retired servants of the crown. I am not going to take up the time of the house in trying to show the need for this type of action. The need has certainly been established in this house more than once, so I shall not deal with that point again.

• (6:20 p.m.)

I believe that the minister who would be responsible for any increase has been staggered by the size of the problem he faces in attempting to raise pensions for retired civil servants. My purpose in speaking today is to try to reduce the problem to manageable proportions. I have two suggestions to make. The first one is with regard to pensions in general. The pensions that we are giving are based on very generous payments made by civil servants and armed forces personnel while they are still in the service of the crown which I believe amount to 6½ per cent, with a matching sum paid by the federal government. This makes a very sizeable amount of money.

I do not believe that the present arrangement whereby civil servants' contributions

[Mr. Bell (Carleton).]

together with matching federal government contributions are placed in the consolidated revenue fund and carried at a fixed annual rate of interest is suitable in these days of inflation. I think it is an outmoded system and a very unimaginative way of dealing with pensions today. I suggest that the government give some thought to introducing a more flexible scheme. I believe that in these days of computers we can afford to make use of these machines to achieve much more flexible arrangements for pensions which will be designed to meet the individual needs of people. For example, a man should have the right to see his pension payments together with the matching payments made by the government put into a fund which would grow at the same rate as the cost of living and would not be invested at a fixed rate as the money is today but would grow at the rate of dividends acquired by investing this money in some sort of mutual fund, if you wish to call it that. I am thinking of a fund which could be run by officials of the government or by a private organization. However, I will not try to lay down the details of this scheme.

I only wish to point out that it would be very much in the interest of civil servants and members of the armed forces not to invest their money at a fixed rate of interest but to put it into a fund which would produce capital gain and eventually increased dividends. Of course, this may not suit everyone but I believe a lot of people might opt for such a scheme and I think they should be given this choice. It may well be that other people would prefer the present plan under which their money goes into the consolidated revenue fund with a fixed rate of interest which assures them absolute security. Another possibility might be a combination of the two. I suggest that such variations are possible in this computer age. I am not underestimating the accounting difficulties which such a plan might create but surely they are not insurmountable.

The fault I find with the present federal superannuation scheme is that it is so absolutely inflexible that it cannot possibly compete with inflation which, as every hon. member in this house knows, occurs from time to time and through a cycle of which we are going today. My suggestion is that the government should look into the possibility of starting a new type of pension fund and that the future pensioner should have the right to decide whether he wishes to enter into this

scheme in whole or in part and thereby have available to him a pension scheme tailored to his needs.

I should like to draw the attention of the house to a number of letters I have received from retired civil servants, as I am sure other hon. members also have. I wish to read one to the house. It is a letter from Victoria which arrived in my office only this afternoon. It says:

Dear Sir,

Please support increased pensions for retired civil servants. They contributed about half of the billions now in the fund.

This is very brief and to the point. I have received many other letters all in the same vein. What worries me is that this letter may be based on a misconception. I think every member has received a copy of an undated letter from the retired civil servants association of Windsor, Ontario, in which they attempted to bring before the public, through the leading newspapers in Canada, their case for higher pensions. They talk there of the vast sums of money in the fund amounting to billions of dollars and refer to the fact that more money is going into the fund than is being taken out of it. I am quite sure this is so because obviously money is being paid into the fund today by people who are still in the employment of the government and it is that money, together with interest, which will be used to pay their pensions when they retire eventually. Since the rate of growth of the number of civil servants is increasing similarly to an inverted pyramid, more money will be going into the fund than will be withdrawn.

In their letter these retired civil servants complain that they are getting a poor deal. They suggest that the money in the fund should be earmarked for the relief of those who have retired and need the money. I want to see them get the money, Mr. Speaker, but I do not necessarily believe this should be the source. What I believe we should do is to investigate the superannuation fund with the help of computers which can do such work rapidly and establish whether the people who have retired and have died have left more money in this fund than they drew out of it.

We should investigate whether the government is not getting from retired civil servants a large windfall hidden in the consolidated revenue fund, and the only way we can find out is to make a proper analysis of the fund. I would also suggest that if the government will undertake to do this they should include in this investigatory body a representative of the Federal Superannuates Association so as to satisfy them completely.

Federal civil servants are not an unreasonable group and I am very happy, as I know other hon. members of the house are, to be able to bring their case before this house. I think that if we were to show them that the money in the superannuation fund has not been a windfall to the government made up of their past contributions they would be satisfied and would no longer use this as an argument. I also think that this should be established from the point of view of the government because surely if we do find that more money is being put into the fund than is being withdrawn and that this amount has been contributed by civil servants who have retired and have died, then it is most certainly an obligation of the government to use that money for the relief of those who are still living.

• (6:30 p.m.)

In conclusion, Mr. Speaker, I suggest that we should first try to inaugurate a more flexible, more suitable pension scheme to meet the needs of the times rather than an inflexible fixed rate of interest type of pension plan such as we have now. Second, we should set up an organization, which would have representation on it of the Federal Superannuates Association, to investigate the actual status of the superannuation fund and ascertain exactly where it does stand. When we talk about a billion dollars it may blind people to the facts of the case. I am sure when we do this we will be doing no more than the federal superannuates deserve. I think we will be in a lot better position to make the next move which I hope will be along the lines suggested by the hon. member for Carleton (Mr. Bell).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, speaking for my party and for myself I wish to indicate full support for the motion that is now before the house, calling as it does for an increase in the pensions of retired civil servants and other government employees. I shall indicate that support by being brief, and I hope any other hon. members who wish to speak will also be brief in order that this motion may be decided on by the house. This may sound like a futile plea, knowing what usually happens in private members' hour, but perhaps this could be the day when we might do something different. After all, it would not bring down this building if the house were to agree

to pass this motion saying that, in its opinion, consideration should be given to this matter. I urge that today this motion be allowed to pass.

Whether or not this motion passes, Mr. Speaker, I certainly intend to hold the government to what I regard as a commitment by the Minister of National Revenue (Mr. Benson) made last Friday. It has already been referred to by the hon. member for Carleton (Mr. Bell). The minister stated that he had no objection to the matter of adjusting the pensions of retired civil servants being referred to the joint committee on the public service for consideration once that committee has considered the matters that are now before it. So far as I am concerned, we could keep the committee here all summer for this laudable purpose. However, I do not believe that will be necessary. I believe that we will have our other jobs done fairly soon and I intend to see to it that the government is reminded of its commitment until it keeps it.

Mr. Speaker, the house has had the facts regarding the need for these pension increases, and the facts regarding what is being done in other jurisdictions, placed before it so often that these things do not need to be repeated today. May I just say, so that the record will be complete, that on page 566 of *Hansard* for February 2, 1966, there are figures given by way of answer to a question of mine which give the amounts of pension received by retired civil servants and by widows of civil servants. These figures are there for anyone to look at so he may realize the extent of the problem. Shortly after those figures were placed on *Hansard* this year—I may say that this question is asked by this member every year and the answers are thus kept up to date—the Ottawa *Journal* saw fit to editorialize on their significance. I quote only the headline of the editorial because it tells the story: "Pensioners' Thin Times". This was on Wednesday, February 9, 1966. On Saturday of last week the Ottawa *Citizen* also came to our support with an editorial headed, "Pleas Of Pensioners", in which a case is made for the need for this whole problem to be considered without further delay.

I want to make the point that not only is there the need of these people, which is very acute and very real and which we as their former employers must meet, but also that there is a principle involved in all of this which this parliament of Canada, this society of ours, has got to face. We cannot go on putting it off and off. This principle is that when people have retired, when they are out of the labour market, they still have rights. One of the rights that they have is the right to live in the kind of society that we have at that time. In my view, this means we have to get over the notion that once a person has been put on pension he must live on the number of dollars granted to him at that time for the rest of his life. Just as workers in all walks of life feel that they have a right to claim increases and to get those increases, just as people in any section of society feel that they have the right to meet rising costs and rising standards, so in my consideration do people when they have retired have that right. It is this for which we are fighting and for which the retired civil servants are fighting, the principle that people who have retired still have rights as members of the community, as members of a society that includes us all.

The government keeps on talking to us about contractual arrangements, about these pensions being the pensions for which these people paid. When people are paying for their pensions they are not given the right to say what society will be like, what economic conditions will be when they retire. Many people who today may not be interested in this plea, who may think that the pensions they are building up will be adequate, will find that is not the case when they go on pension. This problem is going to affect all of us as our society becomes more dynamic, as prices go up and as standards of living continue to rise. This problem is going to become even more acute. I submit that those people who are pleading their case out of desperation are, in fact, pleading a matter of principle. They are fighting a battle which is one of the battles with which our society has to cope. I urge that this is the place to start.

It is all very nice, Mr. Speaker, to hear the two members who have already spoken recognize the member for Winnipeg North Centre as being involved in this issue. It is very nice to get scores of letters, as I do, from people across the country thanking me for the effort I have put into this matter during the last 20 or 25 years. but Mr. Speaker, that is not good enough. I do not want simply to be mentioned as a fighter for retired civil servants. I want this battle to be won.

It is not good enough for the Minister of Finance (Mr. Sharp), the Minister of National

Revenue and the Prime Minister (Mr. Pearson) to keep on putting off the matter. The time for action on this issue is now, in this very session of parliament. Action has been taken on a good many other things. This kind of action on behalf of the retired civil servants cannot be held off any longer. I hope the house will be ready to pass this motion today. If so, I am sure that we will express our opinion that something ought to be done. Whether or not that decision is made, I insist that the minister's commitment of last Friday must be kept, and that this matter of increasing the pensions of retired civil servants must be referred to the joint committee on the public service. I hope and believe that out of that consideration there will come a recommendation and that the government will act at this session so that these people can start to have their right to live in their well-earned retirement, and so that we can establish the principle that people who retire have rights which do not end when they retire. I urge that this motion be allowed to pass.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I too will be very brief in order to allow this question to come to a vote. I am quite sure if that is done there will be a unanimous opinion that retired civil servants and retired members of the armed forces and the R.C.M.P. should have the support of the members of this house.

The hon. member for Victoria, B.C. (Mr. Groos) suggested that the question was whether the fund established for public service superannuation could stand an increase in the amount paid to retired civil servants. To me, Mr. Speaker, this is not the question. In 1959 a bill was introduced to provide an increase in pension for those civil servants who were retired. The question is simply this: Does the government of the day hold itself responsible for the plight of its retired employees? I maintain that good employers today do accept this responsibility. If the government accepts this responsibility toward its retired civil servants, then a way will be found to fulfil it by making amendments to the Public Service Superannuation Act or by introducing a special act. But it can be done.

• (6:40 p.m.)

There is no question of the need, Mr. Speaker. I do not want to go into figures to demonstrate the need of the retired ex-employees of the government. The question simply is: Is there the will to accept the responsibility as an employer toward ex-employees? If the will is there the way can be found. I stop now to allow the house to vote, and I am sure the vote will be unanimous.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I too will be brief. I agree with the mover and with the hon. members who have spoken in favour of this motion. I also agree with the Minister of Finance (Mr. Sharp) and his statement that many problems which we are facing today are problems of prosperity. But this particular problem is right at the crux of the problems of prosperity.

The worker who is organized and has a powerful union is able to change his financial position. This has become dramatically apparent in the last few days with the very large wage increases which have been granted workers to solve various labour disputes in this country. A corporation has power, in effect, to tax consumers for its expansion and additional cost of operation. We have evidence of that power every time the cost of living index figures are published. Always the people who suffer from such action are those on fixed incomes such as those about whom we are talking this evening.

One could, of course, mention the plight of our old age security pensioners, and perhaps there is a priority need there. But anyone on a fixed income is caught in this position in a period of inflation such as the present.

There is no use at all telling Canadians at the present time to save. There is very little use in suggesting this is advisable when they see what happens to people who have saved and contributed to pension funds and then come out on the short end because of inflation.

We know that inflation is inevitable until the nations of the world, including ourselves, have solved the problem of distributing their productive capacities. In a way we have to keep inflating the value of our money, reducing its purchasing power annually. We also indirectly become involved in races to the moon. In this country we must be prepared to build a war tower which is going to be higher than the Peace Tower. A great many devices are used to siphon off the productive capacity of which we are now capable.

Repeatedly we find that the government has had a hand in the inflationary spiral through its own taxation policies. I cite here by way of example the tax on production

machinery and construction materials. Our policies should be such as to increase production; instead we have added to the inflationary spiral. Even housing built for the aged does not qualify for remission of the tax on construction materials unless it qualifies for a continuing grant from a provincial or the federal government. There are no grants for this purpose from the federal government and the grants from povincial governments are few. The usual type of grants for this sort of construction is a municipal grant, so I would suggest there is a need for legislative change here.

As I say, the policies which are set continue to produce inflation and prevent steps being taken to mitigate the position of the pensioners on small incomes. It therefore becomes imperative for the government to move to alleviate their problem directly by adjusting the pension itself. I join the other speakers in urging the government to meet this problem of inadequate pensions of retired public servants, and I also ask the house to pass the motion at this time.

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I am certain many members in this house tonight may be asking themselves why the hon. member for Northwest Territories is now rising to speak on this motion which seeks to increase the pensions of retired civil servants. To allay any possible fears on the part of some members, I should like to explain to those in the house that I was born and brought up in the city of Ottawa and have been associated with the civil service for a certain period of time. I know many people in the civil service and I am aware of the problems and difficulties relating to the lives of retired civil servants.

I think particularly of the members of the civil service who performed public service during the so-called dirty thirties and also during the war years and who immediately following their service in the second world war retired from the public service. It is no secret that particularly during the years of world war II the Canadian civil service performed in a manner comparable to the performance of our armed forces. We know that at that time our civil servants were called upon to work much longer hours than is the case at present.

We also know, Mr. Speaker, that their salaries were pegged and that they were not in the position, as is the case today, of receiving increments from time to time to keep pace with the cost of living. Come retirement they left the service on what we know was a small pension, and this has created one of the great problems which is facing retired civil servants living in Ottawa and in other centres in which the civil service has served throughout Canada.

• (6:50 p.m.)

Although we are concerned with the civil service and the superannuates, I believe we are also faced with a very difficult problem, the same problem that will face Canada until such time as our over-all pension plan is designed to meet the total needs of the nation. I am thinking of those people who were in business for themselves and who invested their earnings in annuities and Canada savings bonds, not in growth stocks and cumulative funds. I am also thinking of individuals who have worked for private corporations and who are also on fixed superannuation. Those people have the same problems as our federal civil servants. I know that the hon. member for Carleton (Mr. Bell) and the hon. member for Winnipeg North Centre (Mr. Knowles) both have said that this is fine. But I wonder, Mr. Speaker, if the answer is not much broader? I wonder whether the problem, instead of applying just to our retired civil servants, is not a national one? This is a problem that we as legislators and as Canadians must face in time.

Many people living in Canada today are in the same position as our retired civil servants. I think of the commitment given by the Minister of National Revenue (Mr. Benson), that the special joint committee on the public service would examine the problem of pensions for civil servants. In the same way I think we should examine the total problem in this field as it relates to all Canadians.

Mr. Knowles: Hear, hear.

Mr. Orange: I have sat in this house and heard people speaking eloquently about the retired federal civil servants. I am only sorry that the hon. member for Carleton is not here to illuminate for us the way of applying the solution of their problems to all Canadians. I hope that this government will be able to come up with an idea or plan so that persons who have retired and are on fixed incomes can continue living in this nation as we would want to see them continue living.

I am prepared to accept the statement of the Minister of National Revenue to the effect that the problem of retired federal civil servants can be referred to the special joint

committee on the public service of Canada. That committee in examing this problem will want to ask officials of the Department of Finance and other government officials what is involved in solving the problem to which I refer. I know that if firm and sound recommendations can be made the committee will be in a position to recommend to the government a partial solution to what I consider an over-all problem.

Tonight we have listened to several members speak in favour of the proposal before us. The problem is one that I followed with great interest before entering this house in the newspapers and publications of Canada. It is one that is constantly in the minds of our retired civil servants and also in the minds of those civil servants who are in the gap and will not be eligible, for all benefits under the Canada Pension Plan. Members of the house are deeply involved. I hope that somewhere along the line ideas can be developed to allay the fears of our civil servants still in the working force. As it is almost seven o'clock, Mr. Speaker, I shall sit down.

Some hon. Members: Questions.

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I had some extensive remarks to make on this subject but as other members have covered the points I wished to raise I shall not speak at length as there are only a few minutes left before seven o'clock. Keeping in mind the request of hon. members on the government side to permit this motion to pass and in order to give the government some leeway to act on this matter, I shall curtail my remarks and simply ask that this matter now be brought to a vote.

Some hon. Members: Question.

Mr. J. E. Walker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I do not think any member in the house listening to the remarks of the previous speaker is without sympathy for what he said.

An hon. Member: You are talking out the motion.

Mr. Walker: I regret that there are some misconceptions. Having listened to members talk on this matter, with great respect I point out that there are some misconceptions which have to be cleared up. May I specifically refer to the point brought up by the hon. member for Victoria, B.C. (Mr. Groos) who queried the amount of money in the superannuation fund. I do not think it is good for civil servants to hear that there are huge sums of surplus money in this fund which will never be needed to take care of those who have contributed. As of April 21, 1965, the Department of Insurance has confirmed once again that there is no surplus in the superannuation account from which higher benefits could be paid, if parliament were to decide that they were to be paid from some source.

The superannuation account is operated in accordance with the principles of funding. This is the point that hon. members who have spoken have not merely glossed over but have not come to grips with. Under the principles of funding generally accepted for employer-employee pension plans, pension benefits are regarded as deferred compensation, and contribution rates are such that contributions are collected at the levels established to accumulate enough funds during the active lifetime of contributors to provide them with specified retirement pensions and subsidiary benefits in respect of those contributors and their dependants.

The balance in the fund, together with future interest and future contributions, will be just sufficient to pay for future benefits to all active contributors and pensioners, assuming that actual experience accords with actuarial assumptions. If, however, the present value of future benefits exceeds the present value of future contributions the fund will be in deficit by an amount equal to such excess. Thus the payment of higher benefits from this fund would simply add to the deficiency and would simply mean—

Mr. Speaker: Order, please. The hour appointed for consideration of private members business has now expired.

[Translation]

CANADIAN FILM DEVELOPMENT CORPORATION

PROVISION FOR DEVELOPMENT OF FEATURE FILM INDUSTRY

The House resumed consideration in committee of the following resolution—Miss LaMarsh—Mr. Rinfret in the chair.

That it is expedient to introduce a measure to establish a corporation to be known as the Canadian Film Development Corporation for the purpose of fostering and promoting the development of a feature film industry in Canada; to empower the corporation to invest in individual Canadian feature film production, to make loans to producers thereof, to make awards for outstanding accomplishments in the productions of Canadian feature films, to make grants to film-makers and film technicians,

to otherwise advise and assist the producers of Canadian feature films; to provide for the administration of the said Corporation; also to appropriate for the purposes of the measure a sum of $10 million to be paid out of the Consolidated Revenue Fund from time to time and to establish in the Consolidated Revenue Fund a special account to be known as the Canadian Film Development Advance Account to which amounts may be charged or credited as the case may be.

• (7:00 p.m.)

Mr. Laprise: Mr. Chairman, if I rise at this stage of the resolution, it is with the intention to let the Secretary of State (Miss LaMarsh) know that I support this resolution with certain qualifications. I do not intend at this time to deal at any length with this resolution, since the Secretary of State herself has not deemed necessary to supply a great deal of information on the subject; therefore we shall wait for the bill to discuss it in greater detail.

If this resolution is considered on the basis of needs in Canada, it is obvious that it does meet a need, even an urgent one because the film industry, especially with regard to feature films, is lacking in our country. There is no dearth of artists, in fact, we have a great number of artists of repute, I would even say of international repute, and I believe that this is due mainly to the fact that television has provided these people, male and female, with an outlet for their talent.

Mr. Chairman, having said this, I believe this resolution should be adopted from that point of view; but there is another consideration which gives rise to questions; that of economics. We can now afford to pay $10 million to the film industry. On the other hand, in various forms in many sectors of our national economy numerous requests are made to the government for assistance to less endowed areas of our population; quite often people are told that our revenue is not sufficient to help adequately fields that need assistance as urgently as the film industry.

If we consider the urgency of the need, it is obvious we may be lagging. But I wonder if, in view of the economic policy of the present government, we can really afford to do this now. Obviously, the public will once more defray through its taxes and levies the cost of these developments; but I doubt that they will bring our country very much economically, other than give our Canadian artists more scope on the national scene and also in international circles.

Mr. Chairman, I do not know exactly what the bill will contain, but I think the Secretary of State should tell us how the $10 million will be raised. We know, of course, it will be included in our taxes; yet, when we ask the minister for grants in other fields as important as that of the film industry, such as radio broadcasting, to allow the C.B.C. to extend its services right across the country and to serve all those areas where the population demands it, the hon. lady cannot find a way to ask the government for the money required to do so. I suggest that providing television service for the Canadian people would be as important as granting subsidies to the film industry and I think the Canadian Broadcasting Corporation should have priority over the film industry.

Mr. Chairman, I do not intend to deal any longer with this subject tonight. Before bringing my remarks to a conclusion, I must say there is another point which disturbs me a little. I do not know how the commission is going to be controlled, because a commission will probably be appointed to look after the fund. I think proper control should be established so that pictures of a questionable nature are not put out by our Canadian producers, as has been the case on some occasions for pictures shown on television. I will not go into details. I think that upon recalling recent developments members will know what I mean by that, but such a thing should be prevented in the production of feature films.

So, in general, we are pleased with this resolution but personally—I am not speaking on behalf of my colleagues from the Ralliement Créditiste—I think other projects should have priority over this resolution, from the economical point of view.

[*English*]

Mr. Johnston: I support this resolution which should lead the way to a national feature film industry in Canada. We have been aware for a long time of the quality of Canadian films, usually of a documentary kind, or the film short on various subjects. These have often risen to heights of considerable artistry. I can recall sitting in a theatre in London where a sophisticated audience had gathered to see a film by the Spanish director Bunuel. Quite by accident, I think, the theatre management had included two short Canadian films—"Cattle Country", filmed in the Nicola valley, and "Morning on the Lievre". The two films were of such startling beauty that on their conclusion the audience broke into spontaneous applause—applause which could not be heard by anyone responsible for making the films but which was,

nevertheless, an indication of how well they had been done.

More recently we have been familiar with the tentative and hesitant approach of the National Film Board to feature films through its production "The Drylanders" which was shown across the country and which met with tremendous approval. This was the first time the board actually referred to people as starring in their productions, so we know that Miss Frances Hyland portrayed one of the leading characters of that motion picture. However, there has always been a fear among those concerned with these government sponsored productions that they might accidentally create a star or discover a director who would achieve international fame. So people who have ambitions along these lines have had to leave the country and, in effect, we have been subsidizing the British, the American, and even the French film industries by exporting our talent at the same time as we have been importing films from almost every nation in the world that makes them, sending out much needed exchange in payment.

Canadians generally have, I think, been naive about the way in which films are produced in other countries, assuming that they are always the product of private enterprise alone. Well, most countries abroad subsidize their film industries. I think this can be done while leaving room for private enterprise. I trust the bill which will be presented to us will emphasize the value of a co-operative arrangement between the government and people who are prepared to enter the Canadian film industry.

As one who comes from British Columbia, I feel our province will have a particular interest in the making of feature films. The climate and the natural beauty of the Vancouver area would tend to concentrate much of the production there. At least I hope this would be the case.

• (7:10 p.m.)

Of course the beauty of the interior of the province would lend itself admirably to film locations and in this respect I am thinking particularly of the Okanagan Valley. There is no reason why we cannot come up with a Canadian equivalent to "The Sound of Music" that would catch on film some of the qualities that endeared that motion picture to millions of people around the world.

I would also hope Canadian stories would be used. There are a great many, and some have already been filmed elsewhere. We should try to film some of them here in Canada where the stories originated. I support this proposal. I know there are a number of things upon which we could insist that the government spend money first, but I would join with those hon. members who have reminded the committee that, by adopting this legislation, in effect we will be putting a very small finger in a very large hole in the dike through which we have been losing talent and money for a long period of time.

Mr. Ormiston: Mr. Chairman, I welcome for a number of reasons, the opportunity to participate in this debate, the first of which is to suggest to the minister that most of us view with satisfaction the introduction of this resolution which will eventually pave the way for a bill to give us the Canadian Film Development Corporation. In this day and age in which we subsidize so many fields of endeavour, here is a field which has been sadly neglected, and when this legislation comes into effect it will prove to the country at large the vast potential talent which exists in Canada today.

The sum of $10 million hardly seems adequate for the effort which will have to be exerted to provide a film industry for Canada, and I think the minister will agree with me that when this project gets off the ground further resources will have to be found.

Great Britain, which has had considerable experience in this field over many years, has its National Film Finance Corporation, which has given a great deal of assistance to film producers and worked very well to provide funds in that field. I am sure if that corporation were investigated we ourselves may find some means to overcome some of the difficulties which no doubt will ensue in the early stages of the Canadian film development project.

I realize full well that the resolution only speaks generally of what is anticipated and what assistance will be given. This will all be spelled out in greater detail in the bill, but I would suggest to the minister that it might be a good idea to consider the formation of a Canadian federal film council, set up to review the progress of the film industry throughout Canada and to report its findings to the minister. This is not too much to ask. It could also produce an early report for publication on the prospects of the film industry in Canada.

Up to the present we have had film producers working for the C.B.C. and producing

films for that corporation. But because of the bureaucratic attitude of the C.B.C. and some of its officials difficulties have arisen. With the advent of this development corporation it is possible that many of those producers will go into private business and provide for the Canadian public, through private enterprise, the type of films they have been producing in the past for the C.B.C.

I shall mention only one such film, the one which was produced on the Columbia river. It was one of the best films produced by a Canadian producer in many years, possibly in all the years since films have been made in Canada. But the producer of that film is no longer with the C.B.C.; they did not see fit to continue his contract. Here is an individual who was a great asset to the Canadian film industry, and we can anticipate that under the provisions of this bill he may provide future great art benefits for Canada.

I am sure that when she introduces the bill the minister will consider among other things greater detail regarding payment to producers, the establishment of a standard film production budget, guarantees for distribution and continuity of production and many other aspects which are not mentioned in the resolution. With those few remarks I shall look forward to the introduction of the bill to see what it contains.

Mr. Brand: Mr. Chairman, perhaps because I am a romantic at heart I like the idea of this particular resolution. I would like to think of Canada vying with the United States, the United Kingdom and other countries for some of the international stars—I can think of some very lovely ones—to come and star in our feature films, produced, financed and distributed from Canada. This is the romantic view; but in the light of sober second thought I wonder whether a government film corporation is the answer. We have heard the hon. member for Melville discuss the method used in Great Britain, one which has proven to be eminently satisfactory there. Perhaps that would be the answer here, too; I do not know.

Just because the government steps in, will this guarantee greatness for Canada on the silver screen? This is the question I would like to have answered, although I assume it is practically impossible to answer it at this stage. We have the talent, yes. We have many famous producers and directors, already mentioned by the hon. member for Burnaby-Richmond. We have many who are still here.

[Mr. Ormiston.]

Douglas Leiterman has already won international recognition as a producer on television and has expressed a desire to get into the film making field. Then there are the names of Patrick Watson and Beryl Fox. She has recently won two outstanding awards for her production, "The Mills of the Gods," a documentary which is in effect a film of major proportions. Neither are we short of acting talent. Names too numerous to mention come to mind of those who have made their mark in the United States and the United Kingdom. Many of our best screen writers have left Canada to use their talent elsewhere.

I have not mentioned the technical people, the cameramen and the sound specialists, but we know from the films produced by the National Film Board, Crawley Films and other companies, that they are excellent. We have the ingredients. So far we have stirred them in small quantities and produced some of the best short films ever made in the world. It is a truism to say that our documentaries are legendary and have taken the highest awards at the best film festivals around the world. Now we want to take these ingredients in larger governmental quantities, stir them in a larger governmental pot and come up with that be all and end all, the feature film.

Can this be done in a country the size of Canada? Is it enough to have the talent? Is it enough to give governmental encouragement and support?

• (7:20 p.m.)

Let me propose these hypothetical questions to the minister. Would it have helped to have given this support to the J. Arthur Rank organization when in 1948 it quietly contemplated setting up film studios in Canada for the production of feature films, and then just as quietly dropped the whole idea? I wonder why that happened and whether the minister has investigated this matter.

Would it have helped the National Film Board in putting over their feature length film, "The Drylanders"? We have heard that film mentioned by the hon. member for Okanagan-Revelstoke, but I must say that I cannot entirely agree that the film was a great spectacular success, as he seems to think it was. It was undoubtedly an artistic success, whatever that is. Surely in actual fact it never did get off the ground. Come to think of it, the National Film Board did have government money, if not for this film, for other purposes; but despite this, even with the aid of sympathetic distributors who ran

"The Drylanders" in theatres across the country in an effort to support the Canadian feature film industry, it never did prove to be successful. "The Luck of Ginger Coffey" has already been mentioned, a feature film produced by Crawley Films. How will it do? The reviews seem to be mixed and I think only time will tell.

The idea of a feature film industry is not new to Canada, but like "The Drylanders" it has just never got off the ground. I wonder how feature films are financed in other centres in other countries. Are they financed by government? We have heard about aid being given in Great Britain, but how much aid is given to the actual feature film industry itself? I understand that in the United States, and certainly in Britain as well, the major portion of the financing is done by the banks. I think it is only recently we learned that the financing of horrendous films such as James Bond in "Thunderball" was arranged by two relatively impoverished individuals who had a good idea, received financing from a bank and came up with one of the greatest money makers of all time. They had no help from the government.

I wonder, out loud, if the government is perhaps contemplating any change in the Bank Act to allow banks to take flyers on risky ventures such as feature films. Perhaps if the government guaranteed losses up to a certain percentage figure financing could then be done through the banks. There are many ways by which these things could be financed, and I am wondering if these ways have been considered. I do not know whether they would work, but surely they should be looked into. I do agree with the hon. member for Halifax when he points out that representatives of the film industry should appear before the committee on broadcasting in order to give their views. This could be a public forum for the expression of their ideas as to what they think would be a good way of setting up a feature film industry in this country.

Despite all the ifs and buts that I have thrown out this evening, I am anxious to see the bill itself to ascertain just how independent the Canadian Film Development Corporation will be. The hon. member for Melville has suggested that there may be the same type of indefinite ground rules as apply to the Canadian Broadcasting Corporation. These rules certainly hamper that corporation and I hope similar ones will not apply to this new organization.

As I have said, I like the idea behind this resolution, but I think it would be very wise before we go overboard with enthusiasm to have a look at the bill, to see what happens. The idea is good, but is it practical for a country like Canada? I have yet to be absolutely convinced that the method proposed here by the minister is the very best for carrying out this development. I will be happy to be proved wrong in this matter because I should like to see this type of industry in Canada, but as yet I will have to adopt the old policy of wait and see.

Mr. Cowan: Mr. Chairman, in rising this evening to make some comments on this resolution proposing the establishment of a Canadian Film Development Corporation I would not be surprised if people were to ask what I, as a mere private member sitting to the right of Mr. Speaker, might know about the plans of the cabinet—and they would be well justified in their queries, because I can assure you we are told little.

I have been waiting for an opportunity to speak on this matter since August of 1964 at which time the previous secretary of state for the Dominion of Canada, Hon. Maurice Lamontagne, passed some remarks in Montreal on the occasion of the 25th anniversary of the founding of the National Film Board.

As an ex-newspaperman I am very glad that newspapers are published in this dominion because, if they are not, private members on the right side of Mr. Speaker would not know what they are supposed to vote for, or what great forward step they should support next. We are never told in advance what the earth shaking event is that will be submitted. As for being given time to consider the matter in its pros and cons, that is not to be thought of.

This speech was made in Montreal on August 5, 1964 by the former secretary of state, in which he announced that a $10 million loan fund was going to be established to aid in the development of a feature film industry in the Dominion of Canada. I thought to myself: This is terrific, absolutely terrific. We have so much money in the national treasury that we can throw $10 million into the development of a feature film loan fund. We can tell the aged and the infirm that we have not enough money to increase old age security pensions to $100 per month, and we can prove that we have not got enough money. We are still running on an

annual deficit. Did we not have terrific deficits under the previous government? The Liberal party government has cut these deficits down drastically, but we are still operating on a small deficit. We can always tell the aged and the infirm that we have not enough money to increase pensions from $75 to $100 a month, which we should be planning for every hour of every day. We have not enough money for that, but we have $10 million to aid in the development of a feature film industry in this Dominion of Canada.

I notice that the resolution is prefaced by the usual remark in its introduction in the house. It starts off by saying in the habitual way—

> —that it is expedient to introduce a measure to establish a corporation to be known as the Canadian Film Development Corporation.

It goes on to point out that the first sum cast into the pot will be in the amount of $10 million. I do not like that word "expedient". That word means the useful or the politic thing to do, as opposed to the just or right thing. Frankly I am too fond of the right to pursue the expedient, and I would sooner see the pensions of the aged increased from $75 a month to $100 a month than to see $10 million put out for the development of a Canadian feature film industry in 1966. I want everyone who is over 65 years of age living in Canada to know there is at least one person in this house who is not going to vote for putting $10 million into a national feature film loan fund before the aged have their compensation increased from $75 a month to $100 a month.

I made some inquiries among elderly people over 65 years of age during the past few weeks, asking them whether they would sooner have $75 a month and a feature film industry in Canada or $100 a month and no feature film industry. Do I have to tell you what their answers were? I do not think I need to inform the members of this house what those people who receive $75 a month to live on told me when I asked them if they would not be happy with a feature film industry and $75 a month rather, than an upgrading of their compensation to $100 a month.

Mr. Herridge: There is no relationship.

Mr. Cowan: I thought this money all came out of the taxpayers' pockets. The British Columbia boys are hopeful of having a second Hollywood on the B.C. coast, but we cannot pay too much attention to their support for this idea. I am speaking for the aged from coast to coast, not particularly those from my riding, as are some of those members from the west coast who are hopeful of having this development located in their own ridings.

• (7:30 p.m.)

Might I tell them that I am of an age where I can remember that Canadians were going to develop a feature film industry in the town of Trenton, Ontario. They went to great lengths, and considerable sums of money were spent down there to develop a feature film industry around a central point. Where is the feature film industry in Trenton? Some would be Canadian film developers took over the old Ravina rink in Toronto some years ago. They were going to develop a feature film industry there. It has gone with the wind. Ravina rink no longer stands today; the site has been turned into a park. The fallacy in saying that Canada will become a centre for the feature film industry is well epitomized in those two cases. I could give further examples, because over the course of the years many people have advocated the development of a feature film industry in this country as opposed to the importation of films from other areas.

The former secretary of state when speaking in Montreal pointed out that Canada has become one of the richest countries in the world, with which I have to agree. I believe that because of our wealth we should be paying the aged $100 a month rather than the $75 a month they are now getting. But of course we are told that we cannot afford to do this—let us start a feature film industry and we will share the profits of that with the aged.

The former secretary of state passed the further remark that one must say that in cultural matters a country cannot continually live by borrowing its material from others. Well, we talk about having two cultures in Canada. Personally I think there is only one culture; it is a blend of all the refinements of different civilizations, tongues and races. Some people like to say bicultural, but I say cultural. I thought we drew on matters of a cultural nature from such sources as Israel, Greece, Rome, Canterbury. We still like the works of Liszt, Brahms, Wagner, Beethoven, Cervantes, one of the world's great writers out of Spain, Hugo out of France, Coppée, that great French writer with whom is connected the expression that all of you know.

He rose to the peak of his profession, of course, at a time when there were many personal jealousies against him.

Many remember the phrase that is associated with Coppée, that he did not lack the French Academy but the French Academy lacked Coppée. I am quite prepared to draw culturally from people of this reputation no matter what part of the world they come from. I think of Rembrandt, Constable, Van Gogh. Yet we are told that one must say that in cultural matters a country cannot continually live by borrowing its material from others. I for one am quite content to borrow my material from the sources I have just mentioned, and I do not think there is a man in the house who would quarrel with that statement. But no, we must go and throw $10 million into the pot to develop a feature film industry, when we know that the feature film industry is in the poorest financial shape today in the world that it has ever been. Hollywood is only a quarter of what is used to be. The attendance for films is not one quarter of what it used to be before the advent of television. But this is the time that Canada should leap into the breach, and let us Canadians show the rest of the world that when the tide is against us we will swim against the tide.

We are told by the hon. member for Outrement-Saint-Jean that Canadians seem to have been unable to bring forth a film industry in Canada which could find its inspiration in a Canadian setting and produce and distribute a Canadian-made product. The Secretary of State stated this afternoon that, because of the geographical position of this country, the divisions into which it falls and the linguistic separations, it was difficult to establish a feature film industry in this dominion, and that the government should endeavour to help it become established. If I noted one of the statements correctly, it was that we should be under no illusion about the difficulties Canadian film producers are going to have to face in establishing the industry.

I also say, let there be no illusion in this respect. Let us realize that this is an industry into which the Canadian government should not be pouring $10 million at this time. If there is a possibility of the industry's being established in this country, I have enough confidence in free enterprise and the private investors to believe that they would have established such an industry if there was an opening for it.

The former secretary of state, as I mentioned, spoke in Montreal on August 5, 1964. I shall be making further references to those remarks. Under date of August 10, 1964, we have the Montreal *Star* writing an editorial the heading of which is, "Government In Show Biz?" The article says:

> Mr. Lamontagne's announcement of a loan fund to assist the production of feature films in Canada puts the government in show biz, notoriously the most risky form of artistic enterprise . . .
>
> We hope this will include a study of the fact that nobody knows what a big film will be like until it is written, directed, produced, and the money spent. Then outlets for distribution are needed before the cash registers begin ringing in the box office. Very many people have gone broke in show biz. A few people and a few film companies have made a packet.

Then continues the *Montreal Star*:

> But let's ask who is going to pay to see them and where? The Canadian market is small and divided culturally and linguistically.
>
> The movie houses are mainly tied tight to the big Hollywood companies. Will they be prepared to show the Canadian-made films? This should be included in the proposed study of the loan fund which otherwise will find all its money going out and nothing coming back.

Then following the remarks made by the member for Outremont-Saint-Jean the Toronto *Globe and Mail* on August 8, 1964, had an article headed, "Money to Burn?" This article said:

> Canada's taxpaying public may well be disturbed by the Pearson government's announcement, made through State Secretary Maurice Lamontagne, that it intends later in the session "to ask parliament for the necessary authority to establish a loan fund to assist in the production of feature films of high quality in Canada".
>
> The production of feature films, and especially those of high quality, is a most expensive, and most uncertain, business. Millions of dollars have been lost in it, sometimes on a single picture. Has the Pearson government, have the Canadian people, so much money that they can start pouring it into the making of full-length movies?

The article continues:

> Mr. Lamontagne's announcement was accompanied by two interesting developments elsewhere. The Commons public accounts committee expressed concern—and properly so—at the rapidly mounting cost of new facilities sought by the Canadian Broadcasting Corporation in Montreal and Toronto.

It goes on to talk about the mounting cost of the C.B.C. Consider this. This is supposed to be the first step in establishing a feature film industry and it will cost $10 million. We have a hole in the ground at the corner of Sparks and Elgin that was originally to cost $9 million when completed. We have the hole in the ground, and we are now told we will

be able to complete it for $31 million. This is the estimate for the National Arts Centre.

If the artistic world's estimate for this theatrical centre was $9 million and it has now gone up to $31 million, figure what $10 million will be by the time we get our necks caught in the wringer of the feature film industry. It will be somewhere around $35 million, and I would prophesy that the end is not yet come. The *Globe and Mail* continues in its article of August 8, 1964:

> If the C.B.C. (which does a lot of moviemaking) is so expensive to maintain, and if members of all parties are disturbed at the amount it requires, why is the Canadian government going into another money-devouring venture?

Then it says:

> Government assistance, whether in loans or subsidies—or loans that turn into subsidies— is the wrong way to go at it. The government should let Canada's feature film industry develop itself, in its own way, with its own money. If there is room for it, it needs no help. If there is not room for it, all the tax dollars in Ottawa will be of no help to it.

• (7:40 p.m.)

The subject seems to have lain quiescent for a time from August 1964; and then, on April 5, 1965, the following words appeared in the Speech from the Throne: "and a measure to help the development of a feature film industry in Canada". Those few words brought on another flood of editorial comment, some of which I believe should be read at this time when we are being given the first opportunity to discuss this matter in a serious vein.

On April 7, 1965, two days after the Speech from the Throne, the Ottawa *Citizen*, which is reputed to have an "in" with the cabinet, published an item headed "A subsidized Film Industry", and reading as follows:

> Judging by the Speech from the Throne, the government evidently will go ahead with its intention to help the Canadian film industry, presumably through some form of subsidy. When the legislation is introduced, it deserves the closest and most critical possible examination in parliament. For on the face of it the plan is ill-conceived, and the merits of the government's proposal will have to be demonstrated to the hilt before a penny of public funds is appropriated for this scheme . . .
>
> During her visit here recently, Mrs. Indira Gandhi, a member of the Indian government, expressed doubts that India's experiment in subsidizing a domestic film industry had been successful in terms of quality—

I am referring to this because Mrs. Gandhi referred to the quality of feature films which is the subject matter of this resolution. There is nothing cheap about the films we intend to develop; they have to be feature films. Mrs.

Gandhi says that in subsidizing the domestic film industry India has not been successful in producing quality films. The article goes on to say:

> Certainly, the scheme had succeeded in terms of quantity. But the government has found itself subsidizing mediocrity and sensationalism.

The *Citizen* goes on to say:

> On the other hand, is the Canadian government to begin supervising the quality of the commercially produced films it subsidizes? That would make the federal government virtually a censor and a producer in the commercial field. Surely public funds could be put to better use than that.

Parliament was dissolved in September of 1965 and we had a new election on our hands. In October a meeting of the Canadian Conference of the Arts took place in Toronto. The *Globe and Mail* of October 14, 1965 made reference to it in an article headed: "Lamontagne Announces Crown Corporation; Film Industry to get $10,000,000 Ottawa Aid" and stating:

> The Canadian government will establish a Crown corporation with an initial capital of $10 million, to assist the Canadian private film industry in the production of feature films.
>
> Maurice Lamontagne, Secretary of State, told a luncheon meeting of the Canadian Conference of the Arts in the Royal York hotel yesterday that the films should be "of commercial value and good quality".
>
> He added that he hopes that within a short period of time the Canadian film industry will prove to be a $50 million a year industry—

If there is any hope of this developing into a $50 million film industry I am sure that private investment and private funds would jump into the breach to cut into that $50 million for themselves; but as the present Secretary of State has said, let us be under no illusions as to the difficulties we face in trying to develop a feature film industry in this country.

The report in the *Globe and Mail* continues:

> The corporation, Mr. Lamontagne said in his speech, "will be empowered to make agreements with private producers under which it will make loans or investments without, however, becoming a legal partner".

It would be interesting to know how you make investments without becoming a legal partner, but that was the statement of the former secretary of state and I read it to you for the record.

Again, on October 14, 1965, the same Ottawa *Citizen* which on April 7, 1965 commented on the Speech from the Throne, returns to

the subject following the statement made in Toronto. The editorial reads as follows:

Federal Aid for Film Firms

There is no justification for such action—

The Deputy Chairman: Order, I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Herridge: I rise to express my support for the spirit and purpose of this resolution. I have listened with great interest to the speech which has just been made by the hon. member for York-Humber, in which he informed the house that hon. members on the government side are told very little by the cabinet. Later on he said hon. members on the government side of the house were never told in advance what was to happen in the house, that it takes occasions such as these for these secrets to leak out.

However, I do not think that is a valid argument against the resolution. His argument was based on the fact that he had apparently written to persons who are naturally anxious to get an increase in their old age pensions to ask them whether they would rather have an increase from $75 to $100 a month, or see the establishment of a feature film board. All of us could write such letters. Naturally in the majority of cases the reply would be that these people would rather have an increase in their pay cheques, because that is what people want at this time. There is no relationship between the amount of expenditure required by this government to increase pensions and the amount required to form this board. It is just the same as when we in this house get up day after day and complain that the government is spending $5 million or $10 million on a public building that is required. I do not think that is a valid argument.

While I have always realized that the member for York-Humber is an honourable gentleman who on some occasions expresses his point of view without fear or favour—and on some occasions I have agreed with him —I must say that on this occasion I simply cannot accept his line of reasoning, his argument or his approach to this question. I think he failed to appreciate the fact that this, similarly to other legislation which we have passed in recent days, is somewhat in the nature of an experiment. He fails to appreciate what can be done along these lines if it is pursued in a sound manner. I might say at this point that I do not claim to be a cultured person, but I am always inclined to look at the practical side of things. I do not think for a moment that a minister of the government would rush into such a decision overnight. I presume that in administering this legislation the government will feel its way and gain from experience in association with those persons who wish to take advantage of this resolution providing for investments in feature films, in loans for the development of feature films and in awards to be given to those who make productions which are of great interest to the Canadian people.

I think the hon. member has completely failed to realize that all civilizations are based on the culture of the period, and I think this resolution provides an opportunity for the Canadian people, for the government, for private industry and others, to co-operate in building a Canadian culture in support of our civilization. Those are the things we are trying to develop. I think he completely failed to appreciate what can be done in this direction.

Let me emphasize once again the fact that when he relates this bill for the expenditure of $10 million over a period of years for the development of a national film corporation with the necessities of those persons who are naturally looking forward to an increase in their old age pension, which all of us support on this side of the house and have done so repeatedly, I think he is using a very unsound argument indeed, and one that I was urprised to hear him use. I think he went to great trouble to write those letters and get those replies in order to support the position he has taken this evening.

• (7:50 p.m.)

I feel, Mr. Chairman, that this measure does provide an opportunity for the development of Canadian talent. We may get some of our talent to return home from other countries. I believe somebody mentioned Lorne Greene. I do not know whether we want to carry on with the Ponderosa, or something like that, in Canada. However, this measure will provide the opportunity for the development of Canadian talent, Canadian technicians and script writers. It will develop a sort of national opportunity if we can only coordinate all these efforts, the C.B.C., the National Film Board and what can take place under this resolution, for giving the Canadian approach to our history and to take advantage of the Canadian scene.

Before concluding I do want to suggest to the minister that British Columbia presents the greatest opportunities in Canada for the

development of a Canadian film industry. There is a great deal of talent in British Columbia and it is fortunate in having the scenery and background required to develop the industry. I am not suggesting for a moment that our industry should be entirely confined to British Columbia. I am sure that Canadians in all provinces will want to see all provinces receive similar recognition in the efforts of this industry. The development of a Canadian feature film industry portraying Canadian life will provide an opportunity for the development of unity in this country and will promote the cause of understanding.

Mr. Southam: As one of those who have been directly interested in the motion picture industry in this country for some years, I thought I should like to make a few comments this evening concerning the introduction of this measure to establish a corporation known as the Canadian Film Development Corporation. Like all hon. members of this house, I am in favour of the further development of the arts and culture in our country. I am looking forward to the time when Canada can establish its own identity in Canadian literature, music, art and other things cultural.

However, I have some grave doubts about this resolution so far as the development of a feature film industry in this country at this time is concerned. In the first place, $10 million is a paltry amount in relation to a job of this kind. It is like sending a boy to do a man's errand. Hollywood is the centre of the United States film industry, and with the vast millions that have been put into it, that industry has run into grave difficulties in the last few years. The reason for this has been the impact of television. Television has cut very deeply into this private industry to the extent that in Canada—I have not got the exact figures—hundreds of theatres have had to close their doors. I know that in Winnipeg, the gateway to the west, as a result of the impact of television, no less than 11 theatres closed down in one year.

This does not mean that I am injecting a gloomy note into our discussion. There is still room for motion picture production. However, I feel we have to look at the matter carefully in a young country like Canada that has many more important responsibilities at this time to which reference has been made. It is a curious fact that the minister recently suggested paying $6 million for one painting, but now she suggests an amount of only $10 million for the establishment of a motion picture industry.

The motion picture industry, for instance, is divided into four main branches. First, there are the stars. A few years ago the cost of these stars did not run into too big an item because the motion picture producer could hire a top star on an annual contract. As a result, he might be able to produce anywhere from five to ten pictures with the one star. Now these motion picture stars of top calibre insist on getting into the production end before they will even lend their talents to a production. They usually insist on a contract under which they will make only one or two pictures a year and will take a large share of the profits, sometimes 50 per cent. I do not believe Canada would be in a different position if we were to establish a motion picture industry.

We would find ourselves in the same difficulties as private industry has in this regard. Then, too, these production companies with unlimited millions of dollars behind them have, in the last several years, found it necessary to amalgamate in order to remain in business. Then, you have distribution which is a very important part of the whole motion picture industry. It is all right to produce a picture, but you have to have a whole chain of distribution centres in order to get this film to the next stage, which is the exhibitor himself. All in all, Mr. Chairman, I think we should take a very serious look at this resolution before we support it 100 per cent.

For instance, I think the hon. member for Saskatoon mentioned that back in 1948—I recall reading about this—Mr. J. Arthur Rank, one of the great producers of England, came to Canada to look at the potential of this country for the motion picture industry. I must remind you this was before the advent of television and its impact on the motion picture industry. This top executive from that great country came to the conclusion that we were too young, and we did not have a large enough population to support a motion picture industry. He withdrew from Canada, and I believe we should learn a lesson from that action. I just wanted to voice this note of warning to the minister, Mr. Chairman. This government project, even though it may sound laudable, could prove to be a boomerang if we do not give it serious consideration.

Mr. Cowan: Mr. Chairman—

The Deputy Chairman: I regret to interrupt the hon. member for York-Humber but the time allotted for his speech had expired. I must recall to hon. members provisional standing order 61-A(2), which reads:

> Notwithstanding the provisions of any other standing order, no member shall speak for more than 20 minutes during the time when a resolution preceding a bill involving the expenditure of public money is under consideration in the committee of the whole house.

Shall the resolution carry?

Mr. More: I should like to say a few words on this resolution. Frankly I must tell the minster that I feel this resolution, at this time, is ill considered. The sum of $10 million which is involved in starting a new venture could be used in many other ways by existing cultural establishments. I am speaking of our live theatre, our ballets and our symphony orchestras. We hear from the Canada Council that there is a shortage of funds to meet their requirements. We know that television is the strongest medium of communication we have today, yet we do not have very much Canadian developed programs in that industry. One can think of "Seaway" which was Canadian developed, and then one is at a loss to think of any others except perhaps "Milk and Honey". We do have some Canadian television, but there is not very much.

I suggest that rather than start a venture with such an uncertain future at this time, if the government has $10 million to be used it could be used to develop Canadian talent. It could be channelled into cultural establishments which exist now and which are suffering because of a shortage of funds.

• (8:00 p.m.)

It seems to me that if we have this sort of money to invest at the present time we should give more encouragement to our television industry and enable them to increase the scope of their enterprise, which would be more rewarding than trying to make feature films which, at best, are products with a very uncertain future and for which we do not appear to have any definite market.

I also suggest to the minister that there are already under way centennial projects which were instigated by this government but which have now run short of funds owing to the inflationary pressures and increased costs which have been brought about by the policies of this government. Yet the government now refuses to increase the supply of funds and enable completion of these projects.

I think it would be strange indeed if this house were to vote an expenditure of $10 million for a feature film industry when there are steel skeletons of centennial projects in various parts of the country which are supposed to serve the cultural interests of the country. We have live theatre and other establishments already in existence, but we have insufficient funds to complete these projects. The government now washes its hands of any further responsibility and tells the municipalities, if you please, that these projects are now their baby and they should go ahead and do what they can with them.

We have in Ottawa what is referred to as the "hole" in "confusion square", the cost of which started out at $9 million. I referred to this in a question to the minister the other day. Now the cost is, not $31 million, but I understand that $34 million is the probable cost of completion of this project; and for this the government must take full responsibility.

However, let me get away from Ottawa. As I say the steel for these projects is lying on site because no funds are available to complete the projects in time for centennial year. The minister says that the government has given $2.5 million; that these projects are now the municipalities' baby.

It seems to me that it would look very peculiar if we started to develop a feature film industry with an initial expenditure of $10 million—and God knows what the cost will escalate to—while we leave these skeletons on view. This steel is lying on the ground, of no possible use, at a time when perhaps $10 million at the outside would enable the people who accepted these projects, and who started to develop them in all good faith, to complete them. In view of the time clause placed by the government in the contracts for completion in 1967, these people went ahead with their plans but now find them stalled.

I suggest, Mr. Speaker, that rather than this highfalutin interest in a feature film industry, the minister should look at the present centennial programs which are under way but which remain unfinished owing to lack of funds. I suggest she should devote this $10 million to the completion of a program which has already been started.

Resolution reported and concurred in.

Miss LaMarsh thereupon moved for leave to introduce Bill No. C-204, for the establishment of a Canadian Film Development Corporation.

Stabilization of Milk and Cream Prices

Motion agreed to and bill read the first time.

DAIRY COMMISSION

PROVISION FOR STABILIZATION OF MILK AND CREAM PRICES

Hon. J. J. Greene (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish a Dairy Commission for Canada to administer funds made available to it for the purpose of stabilizing the price of milk and cream so as to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality; to provide that all expenditures for the purpose of the said measure, excluding those that in the opinion of the minister are directly attributable to action taken by the commission to stabilize the price of any dairy product, shall be paid out of moneys appropriated by parliament therefor; to provide also for the establishment in the Consolidated Revenue Fund of a special account to be known as the Canadian Dairy Commission account, for credits and charges thereto; and to provide further for the making of loans to the commission and for the terms and conditions thereof.

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

Mr. Greene: Mr. Chairman, the resolution and bill presently before the committee breaks new ground in agricultural legislation for Canada. It is the first bill that will provide a legislative base for the establishment of a commission with Canada-wide responsibility for an agricultural commodity.

One of the major problems of the Canadian dairy industry, a problem common to dairy industries in all countries and in fact to agricultural production of almost all types, is the cyclical nature of production patterns and, with it, price instability. While the length of the cycle may vary from product to product, the cycles have common characteristics: a period of high production coupled with falling prices; then a period of readjustment which often results in excessive curtailment of production and subsequent high prices. This period seems to be inevitably followed by surging production induced by the high prices, which in turn generate consumer resistance and decreased consumption. And so the cycle starts anew.

Many devices have been and are being used to meet this problem. Paramount among these are support measures and rational marketing. Earlier this year a major change in the government's approach to dairy support was announced. This announcement

[Miss LaMarsh.]

represented the first stage in the government's dairy program. Under it, shippers of manufacturing milk will receive direct payments from the government of 75 cents per hundredweight, which will result in a national average return of $4 per hundredweight for 3.5 per cent milk, f.o.b. the factory. An equivalent payment will be made to shippers of farm-separated cream.

This program was implemented because producer income from dairying was such that there had been a sharp cutback in production. In other words, the production cycle was approaching the stage where curtailed production and high consumer prices would result. The program has been in effect only since April of this year and production patterns in the dairy industry change slowly. But it is of interest to note that figures for the month of May indicate that the downward trend in butter production has been curtailed, restoring a measure of stability to this product.

The second phase of the government's dairy program is the establishment of a Canadian Dairy Commission, and perhaps it would be useful at this point to review briefly some of the events leading to the development of this legislation.

In 1963 the Canadian dairy industry was plagued with low prices and surpluses. At that time a meeting was called at which the various segments of the industry, both producer and processor, as well as federal and provincial governments, were represented. The conference agreed that the forming of a body or organization to perform a co-ordinated and advisory function for the dairy industry was a requirement. The conference recommended that a co-ordinating and advisory committee called the Canadian dairy advisory committee be established with representation from the various groups. Subsequently this committee met on many occasions. Subject matters covered by the committee included research, dairy quality and marketing. A basic recommendation in the latter category was that a national dairy authority be developed.

• (8:10 p.m.)

On March 26, 1965, when the dairy support program for the forthcoming year was announced, the announcement included a statement that it was the intention of the government to introduce legislation to provide for a Canadian Dairy Commission. Many groups, including the Dairy Farmers of Canada and the Canadian Federation of Agriculture, have

supported, by means of briefs and submissions, this intention.

Under our constitution, the responsibility for agricultural production and for marketing controls lies largely with the provinces. However, when agricultural commodities cross interprovincial or international boundaries, federal authority is involved.

With the growing complexity and sophistication of marketing techniques in this country, very often it is not known when a product is produced or processed whether its ultimate destination shall be within the province of production or elsewhere in the country. With this development in marketing procedures, there has been increasing need for legislation to complement that of the provinces in order to ensure orderly marketing procedures.

The bill that I shall introduce this evening will establish a commission, one of the primary functions of which will be, in co-operation with provincial agencies, the co-ordination of such marketing matters.

This commission will also have authority to administer the dairy support program, to engage in the promotion of dairy products and in general to take such action as will result in the development of a dairy industry best suited to the needs of the country. The commission will consist of three members appointed by the governor in council and will have available the services of a consultative committee of nine members. It is the intention that members will be representative of the various segments of the dairy industry in Canada.

In order that it may meet its objectives, funds will be provided to the commission from three sources. First, the amounts required for the implementation of the federal dairy support program will be provided to it under the provisions of the Agricultural Stabilization Act; second, the amounts required for the commission's own administrative operations will be provided to it by a vote of parliament and, third, the commission will be empowered to raise funds through levies and licences.

While the commission will be able to perform any provincial function that might be delegated to it under provincial legislation, it should be stressed that one of its major roles will be to work in co-ordination and co-operation with provincial boards in meeting its objectives.

It is not possible at this time to indicate, other than in a broad way, the manner in which the commission will operate. The dairy industry is a complex and ever changing entity, and with these changes, different approaches will doubtless be needed on the part of the commission.

The legislation has been drafted to provide for sufficient flexibility to permit the commission to meet the objectives set for it, despite changing structures in the Canadian dairy industry. A healthy agriculture in Canada must be predicated on assurance to producers of returns commensurate with their labours and with their contribution to society, and equivalent returns to other segments of the population. In recent years this has not been the case.

Broad government agricultural policy toward this end is on a three fold basis. First, producers must be able to establish efficient and viable production units. Here government action has been taken through upward revisions in the funds available under the Farm Credit Act and through the introduction of the Farm Machinery Syndicates Credit Act. Complementary to this is the ARDA program that in essence will provide for those unable, for whatever reason it may be, to develop a viable production entity.

The second cornerstone for an efficient agriculture must be that of marketing. Production, no matter how efficient it may be by itself, cannot stand alone and is useless, unless the fruits of production are marketed at a price commensurate with their costs. The present legislation represents a very significant step in this latter direction. No matter how efficient production may be, or how well marketing may be conducted, the agricultural producer still requires protection against losses beyond his control.

Despite the advances we have made in technology, little or no protection is possible against the vagaries of the weather. Herein lies the role of crop insurance. Already the government has made a significant change in the legislation through an amendment providing for re-insurance of a portion of the province's risk. The results of this change have been a very significant increase in the utilization of this federal act, and thus in the protection provided to producers.

I suggest that in these three areas lies the importance to the general well being of the economics of the agricultural community, towards which the objectives of this government in an agricultural sense will be directed. I suggest that the measure presently before the house at the resolution stage will

help in the area of marketing which, to be effective, must have a federal complement to any provincial jurisdiction. We hope and believe that this measure will provide that, with respect to the dairy industry.

• (8:20 p.m.)

[*Translation*]

Mr. Ricard: Mr. Chairman, aware of the urgent needs of the farmers, we on this side of the house will not do anything to delay the earliest possible implementation of the legislation now before us.

I shall consequently keep my remarks down to a minimum so that consideration of this legislation is not delayed.

The minister told us that this was something new. At last, after waiting two and a half or three years, the present government promises something new. But, in introducing the legislation he calls new, it seems that the minister is relying upon numerous legislation and measures that have been adopted and put to the test by the former government. We are very happy to note that the present government in order to achieve something, must rely upon the work done by the preceding administration.

We have also heard the minister tell us that this legislation was becoming urgent due to the fact that cost of production by the farmer is constantly on the increase, thus putting him in a very difficult situation. Unless I am mistaken, we have been telling that for at least three years, to the present minister as well as to his predecessor who claimed that sufficient income could be derived from six cows and two hogs, in the province of Quebec and in eastern Canada to ensure the livelihood of a family.

However, we on this side of the house know quite well the problems, the needs of the farming community and, while we were in office, we tried to give the farmers their just share of the national income. The present Minister of Agriculture (Mr. Greene) does have to go very far if he wants to find out exactly what the eastern farmers thought of the Conservative team. He has only to visit one or two concessions, and there is no doubt that he will find out through his conversations with the farmers that we took the necessary steps to get the farmer to a degree of prosperity which was not only for his own good but also for the general good.

And since the Minister of Fisheries (Mr. Robichaud) seems a little worried or seems to disagree with what I am saying, I suggest to the Minister of Agriculture to take him along because it will certainly do him a lot of good to find out the truth.

Mr. Robichaud: Mr. Chairman, the hon. member who has the floor seems to insinuate that I made some allusion to his remarks. All I said to the Minister of Agriculture is that in spite of the seriousness of the matter, the hon. member could not refrain from indulging in petty politics.

Mr. Ricard: Mr. Chairman, I am always surprised to hear those sacrosanct people like the Minister of Fisheries make such statements because he, for one, cannot open his mouth without going in for petty politics. Therefore, if he only had the decency to listen to what is said, he might be able to refrain for indulging in petty politics when he gets the opportunity to speak.

Mr. Chairman, while discussing the steps taken by the present government to try to help the farming community I cannot but see things as they are, and I think that *La Terre de Chez Nous*, a publication which is essentially concerned with farming, does not indulge in petty politics. However, I have here the issue of June 15, 1966, and on page 5, I see the following title:

Ottawa's dairy policy is unsatisfactory and unfair.

Mr. Chairman, may I point out to the Minister of Fisheries that all I am trying to say is that the farm policy of the present government is not realistic and, moreover, according to a publication which has expert knowledge of farming, the policy of the present government is unfair and unsatisfactory.

And since I have this opportunity, I should like to read into the record part of a telegram recently sent to the Minister of Agriculture by the executive committee of the C.F.U., and I quote:

C.F.U. executive committee considers present Ottawa policy clearly inadequate since it will not guarantee selling price of $4 per cwt. for all industrial milk and particularly unfair for large groups of producers, such as cream shippers, producers whose milk is processed into powder by cylinder process or into casein, etc—

I am not quoting my own words, but a newspaper representing opinion of the farmers in the province of Quebec.

And further this communication says:

Under circumstances, C.F.U. executive committee decided to inform and alert all Quebec farmers and their district and local organizations, who will advise necessary means to obtain satisfaction, i.e. the guarantee of $4 per cwt., from Ottawa government for all industrial milk—

Now, referring to page 2 of the same publication, I find an announcement published by the federal Department of Agriculture, which refers to an average price of $4 per cwt. of milk. Well, it is not $4 per cwt. of milk that farmers and associations want, but a guaranteed price of $4 per cwt. of milk. The people now sitting on the government benches are not entitled to tell the dairy industry what to do.

When we came into power and became the laughing stock of those who now form the government and base their policy on the proposals we put forward at the time, we took the required measures to give the farmers what they expected. We succeeded to a large extent and we would like this prosperity, which begun to be felt by the farmers under the Conservative government although it is marking time momentarily, to be restored. Farmers, in particular, are fed up with election promises.

• (8:30 p.m.)

[*Translation*]

Farmers especially have had enough of election promises. They now want the *present* government to act. This is not asking too much. They want the great promises made by the Minister of Agriculture during the election campaigns to be fulfilled. It can be recalled, for instance, that the 1962, I think, election program of the Liberal party mentioned distribution of milk in the schools to promote consumption of dairy products. They who made this suggestion surely knew that this was not incumbent on them, that it came under provincial jurisdiction. Milk distribution in school is a local matter. For a reason I do not understand, they were trying then, probably to win votes, to promote this idea of milk distribution in schools.

Since this government came into office the dairy industry has been so neglected that a great number of farmers got rid—as they say—of their dairy herd, because they were afraid that the income would go on decreasing. The farmers thought: there is no use to carry on with the dairy industry, since the Liberal government does not want to help us. This is so true that today, in one parish in my riding. Ste. Madeleine for instance, many farmers got rid of their dairy herd.

The dairy production has decreased so much recently that the time is not far when we will probably have to import dairy products, especially butter.

It seems abnormal to me that in a country so well endowed as Canada, Quebec and Ontario especially, such a situation should have developed.

Before concluding, I would simply like to ask the minister, even if this forces him to humble himself, to revise his former statements and admit that perhaps he does not have all the answers to problems, as he claimed. I urge him to get information from a former minister of agriculture who has the reputation of having been the best minister of agriculture Canada has known, I mean the member for Qu'Appelle (Mr. Hamilton). I ask him to turn to his knowledge, because he is really a specialist in this field of agriculture.

Mr. Chairman, for a few minutes this evening the minister dealt with crop insurance which was put on our statute books thanks to the former minister of agriculture, the member for Qu'Appelle; he referred to the ARDA act, the Agricultural Stabilization Act, all measures we owe to the member for Qu'Appelle.

I am not surprised to hear the laughter of people who have always kept away from the farming class. The member for Beauce (Mr. Racine) must know what I mean, since at one time the people from Beauce stayed away from him. I am not surprised to learn that—

Mr. Racine: On a point of order, Mr. Chairman. I certainly did not have the privilege of being appointed to the cabinet during an election campaign, like the member for Saint-Hyacinthe-Bagot.

Mr. Ricard: And you probably never will either, my friend. It is a title that the member can certainly not take away from me.

Then, Mr. Chairman, as the minister admitted himself, this resolution will be implemented in co-operation with the provincial authorities. We know that a change took place, even though I must open old sores for the member for Beauce and a few others from the province of Quebec, we know that a change took place in the Quebec government not so long ago and that those in office at present are aware of the problems of the farming people and will certainly resort to all their knowledge and make every effort in order to improve the farmers' situation.

As the minister and others in this house are aware, one of our former colleagues who represented the electoral district of Nicolet-Yamaska is now minister of agriculture and colonization in Mr. Johnson's cabinet, in Quebec. He is a practising farmer, who is

familiar with farm problems; he will undoubtedly make the federal Minister of Agriculture profit by his knowledge.

I therefore urge the minister to get in touch officially and without delay with his counterpart in the province of Quebec. I know that the present provincial minister of agriculture and colonization and former member for Nicolet-Yamaska is desirous to serve the agricultural class in particular and the population of the province of Quebec in general. I also know that he wishes to cooperate with the Minister of Agriculture to make sure that his fellow citizens in the agricultural class may again enjoy the prosperity that we had begun giving them when we were in office.

Mr. Chairman, there will surely be other remarks it will be disirable for me to make when the measure comes before us as a bill; I therefore reserve the right to come back and discuss again this legislation which will surely have a great impact on the agricultural class, if it is well prepared.

Mr. Herridge: Mr. Chairman, as one who wakes up every morning at five o'clock to milk cows that are not there, I would like to say a few words on this resolution. I must say I was in B.C. at the time when I first heard that the Minister of Agriculture, who I understand is a lawyer, was appointed to that portfolio and I had grave doubts about how this would work out. Now, I find I was mistaken. I can truthfully say that never have I known a Canadian lawyer in history who could communicate so well with farmers. I find out now that he would much prefer to pray with farmers than prey on them.

First I want to congratulate the minister for the prompt action he took with respect to the measure to stabilize the price of fluid milk. That has been appreciated by the farmers in the dairy industry. I say that, as a member of this party that is always willing to give the government credit for anything it does to the advantage of the Canadian people, whatever their occupation, and also as a member of this party that criticizes the government when we see it fall short of doing just that. I am sure the minister realized at that time that this was an answer to an immediate problem, and that something more would be required.

• (8:40 p.m.)

The minister knows that the Canadian Federation of Agriculture, farm unions and other farm organizations have for some time been urging the government to adopt legislation of this type which will bring about some order, so far as the marketing of dairy products is concerned. We in this group are very pleased to support the principle and purpose of this resolution.

I was very happy to hear the minister indicate that it is the intention of the federal commission to work in co-operation with provincial boards. That is very necessary indeed, if this type of legislation is to be successful so far as dairy farmers in Canada are concerned. It was also very satisfying to hear the minister state there would be arrangements for democratic representation. This will in effect mean there will be democratic control of the legislation and its application in respect of the dairy industry. I was also pleased to hear the minister say that the legislation would be flexible, and I understand from that he means it will be the intention of the commission to learn from experience, and amend or improve the legislation as experience indicates.

This legislation is, I am sure, a good step toward overcoming the hazards of weather suffered by dairy farmers, and the hazards of marketing suffered by the dairy industry in general, both of which are beyond the control of the individual farmer or small organization attempting to market dairy products.

I shall look forward to the introduction of the bill, at which time we will have an opportunity of making further inquiries as to the administration of this act. I wish the minister every success in the appointment of this commission and in all it undertakes for dairy farmers and the dairy industry in Canada, once this resolution becomes law.

[*Translation*]

Mr. Laprise: Mr. Chairman, I want to take the opportunity given me by the introduction of this resolution to say a few things to the Minister of Agriculture (Mr. Greene) as well as to the house.

In October 1964, the newspaper *La Terre de Chez Nous*, a farm paper well known in the province of Quebec and which brings useful information to the farmers, published an article with a heading that I found amusing:

Farming, from bad to worse.

Now, in 1966, I think that the same article could be entitled: "From worse to worse", because it can be said that since then, though the government tried to improve the lot of the farmers and the dairy farmers, it has not really succeeded.

The hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) read a few minutes ago a telegram sent to the Minister of Agriculture and which clearly indicates the dissatisfaction of the dairy farmers, especially in the province of Quebec.

In May 1966, the Department of Agriculture published a leaflet entitled:

A letter to the farmer—it pays to know everything.

It explained the federal support program for dairy products and it said:

In 1961, the butter consumption left a surplus of 63.8 million pounds; last year, Canada consumed 19.3 million pounds more than it produced. The surplus from previous years made it possible to avoid a shortage of butter but that surplus is almost exhausted. Even if Canadians do not increase their consumption of dairy products this year, a production equal to last year's would result in a shortage during 1966.

Thus, the Department of Agriculture was using that leaflet's title to justify its new farm and dairy production policy, that is a price of $4 cwt., to invite the dairy farmers to produce more milk than in the past.

Therefore, Mr. Chairman, if we consider how the government found it possible to pay that price of $4 per hundredweight, we see that it did not try very hard, especially in the light of an advertisement such as the one published in dailies and weeklies, and especially in the *Echo* of Val d'Or on Wednesday, May 11, 1966, where the following lines appeared:

However, the government does not have the power to set up the price paid by the processors to the producers. It is your responsibility to negotiate the best possible price for your milk through your farm organizations.

To my mind this means that the farmers must negotiate with the processors—with the processing industry, if you prefer—prices that will make it possible for them to obtain $4 per hundredweight for milk. In this event, then, the industry or the processor will have to increase the price of butter or of casein, if you wish, or of powdered milk so that the consumer once again will have to foot directly this increase in the price of butter and of other milk products to make it possible for the milk producers to obtain a satisfactory return for his production.

Mr. Chairman, recently I received copy of a letter that was being sent by the Agricultural Cooperative Society of Sainte-Rose de Poularies, in my constituency, to the Minister of Agriculture in which it was complaining of the difficulty the processing plants had in paying $3.25 per hundredweight they will have to pay if the farmers are to get $4 per hundredweight, because the subsidy, as the minister stated a while ago and as it was announced in the press, is only $0.75 per hundredweight. Here, now, is the wording of this letter and I quote:

• (8:50 p.m.)

Honourable Minister,

According to your new milk policy, manufacturers should pay a minimum price of three dollars and twenty-five cents ($3.25) per hundredweight of milk; to that price will be added a subsidy of seventy-five cents ($0.75) per hundredweight to reach an average of four dollars ($4.00) per hundredweight of milk, and you ask the producers who supply industrial milk to negotiate this price. Now, we get an average of three dollars and eighteen cents ($3.18) per hundredweight of milk testing 3.5 per cent butterfat. With butter, selling for fifty-nine cents ($0.59) per pound and casein selling for thirty and a half cents ($0.30½) per pound, this requires four pounds and twenty-three hundredths (4.23) of butter and two pounds and one quarter (2¼) of casein per hundredweight of whole milk. So we are asking you, in our name and on behalf of all our producers and suppliers of industrial milk an increased subsidy on casein or a higher price for butter.

Obviously, as this letter says, producers, or rather processors will not be able to pay $3.25 per hundred pounds as the hon. minister asks in published announcements and letters to the processors.

Therefore, Mr. Chairman, I wonder whether this resolution to establish a Canadian Dairy Commission is not again intended to put some officials in high places, so that if something goes wrong, if the farmers, the producers or processors complain too much, the minister will be able to say: go to the Commission. Thus the minister would be relieved of his responsibilities.

Mr. Chairman, I think the minister and his officials should be able to find a way to stabilize prices of milk products so that farmers are paid decent prices.

Mr. Chairman, the resolution reads as follows:

That it is expedient to introduce a measure to establish a Dairy Commission for Canada to administer funds made available to it for the purpose of stabilizing the price of milk and cream so as to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality;

If I have understood this first part of the resolution, this means that the Canadian Dairy Commission will be able to decide what producers of milk are competent. This Commission will be the one to determine whether a certain producer is competent for

the production of milk. This is a form of control which smacks of socialism and I was not at all surprised a while ago to hear the hon. member for Kootenay West (Mr. Herridge), I believe, approve this measure right away.

I think that instead the department should take the responsibility of stabilizing the price of milk in the best interests of farmers, in accordance with their request, in short that the Board itself should not determine the price which farmers should get for their production, but that this decision be reached as a result of the farmers' demands. And when we consider the pressures exercised for a few years by farm organizations such as the C.F.U. in the province of Quebec, we easily realize that farmers have not failed to state to the federal and provincial Departments of Agriculture their needs and the price they must get to meet their obligations. Farmers have growing obligations to meet; the cost of farm machinery is constantly rising and to such an extent, that they can no longer make ends meet with the prices they get for farm products.

So, Mr. Chairman, the price the processing industries can now get for butter, powdered milk and casein is obviously inadequate to allow them to pay $3.25 per hundredweight, and to pay the $4.00 the farmers could get with the government subsidy.

I feel that, instead of establishing a dairy commission for Canada, it might have been wiser for the minister to suggest an increase in the present subsidies, high enough to enable the processors to pay producers $4 per hundredweight.

Perusal of the available literature and what is published in *La Terre de Chez Nous* reveals that the government, through certain prices, has agreed to purchase for a basic price unsold surpluses of casein, powdered milk and other milk produce, to sell them, if need be, to another country or on foreign markets for a lower price. If that be the case, once again the Canadian taxpayer is paying dividends to foreign countries to purchase Canadian production.

Mr. Chairman, I am personally totally dissatisfied with this resolution; to my mind, it does not answer the needs of the agricultural class, particularly in the province of Quebec; in fact, the farmers of Quebec are not asking for a commission to stabilize prices, but rather for a decent price for their agriculture and dairy produce, so that their income might be comparable to that in any other sphere of activity or industry in our province or our country.

I feel that when we have the bill, we will then know better what policy the hon. minister intends to apply or recommend.

Once more, the hon. minister was not too explicit in the explanations he gave us at the start, when he introduced the resolution; we hope, with the bill, to better understand the objectives of the hon. Minister of Agriculture; we can then make more representations and recommendations to him.

[*English*]

Mr. Olson: Mr. Chairman, at the outset I would say to the Minister of Agriculture that we wish him well in his attempts to carry out what appear to be two major achievements in so far as the dairy industry is concerned. It seems to me that he is trying to raise the whole price structure to the fluid milk producers, the manufactured milk producers and the cream shippers, and second he is trying to provide an additional measure of stability to the dairy industry in Canada. Both objectives are desirable and in our opinion the action by the federal government to achieve these ends is long overdue.

I should also like to refer to the minister's statement that production in the month of May shows that the downward trend in dairy production in Canada may have been arrested, and we are now perhaps moving into an era when Canada will again be producing her own requirements of dairy products. The minister did not explain whether this takes into account the yearly average for the month of May, because I think we all know that dairy production always goes up in May due, of course, to the arrival of spring, green grass and higher nutrition levels for animals almost all across the country.

I believe we should have policies in Canada that will induce dairy producers to produce all of Canada's requirements. I think it would be an added strain on our international balance of payments and other economic fields if we were to become a net importer of dairy products, because certainly it is physically possible for us to produce not only all our own requirements but dairy products for export, if the price structure made this attractive.

When the minister was talking about the new Canadian Dairy Commission I believe he said he was at this time only outlining it

functions and general structure. I can understand that, at the resolution stage. The minister went on to say that he wanted to have sufficient flexibility within the program so the government could meet the changing conditions that arise from time to time in the production and marketing of dairy products in Canada. A large number of questions have been left unanswered, even though one takes into account the statement made by the minister today and the one he made some time in March when he announced the subsidy that would be paid on milk. For example, this evening he said that the new dairy commission, working in co-operation with the provinces, will also have the power to engage in the promotion of dairy products. At least, I interpreted what he said to mean that, althought they are perhaps not the exact words he used.

We would like to know where the dairy commission will obtain the funds for the promotion of dairy products in Canada. The minister mentioned three different sources of funds in this respect; first he referred to amounts that will be paid under the Agricultural Stabilization Act, second he said the administration costs would be paid by the federal government, and the third source of funds suggested was through levies and licence fees that would be imposed upon some in the dairy industry. The minister did not say whether they were to be imposed on the producers or processors. We are curious to find out whether any of these levies and licences will be the source of funds that will be used for the promotion of dairy products in Canada or whether levies or licences will be imposed for other reasons.

• (9:00 p.m.)

I think the minister also suggested that marketing control of agricultural products lies largely within the jurisdiction of the provinces. According to section 95 of the B.N.A. Act it does not seem that the provinces have any greater jurisdiction in the matter of dealing with agricultural problems than has the federal government, because it is said in that section that—

> —in each province the legislature may make laws in relation to agriculture in the province and to immigration into the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to agriculture—

Section 95 then goes on to say that these laws that are made by the legislature of a province relative to agriculture or to immigration—

> —shall have effect in and for the province as long and as far only it is not repugnant to any act of the parliament of Canada.

I suggest that in fact this section gives the federal government at least a little priority or a little superior jurisdiction over the provincial governments in the field of agriculture. I know that the provinces have an almost equal right with the federal government to legislate in the field of agriculture. The reason I bring this up Mr. Chairman, is that there still seems to be some reluctance on the part of the minister and of the government to say anything about how they are going to keep the price of manufactured milk at $3.25 per hundred.

There is also the problem that if the price that the processors pay to the producers falls below this $3.25, then there seems to be some doubt as to whether or not the subsidy of 75 cents will be paid. I suggest to the minister that he is perhaps being a little timid when he attempts to transfer all of the responsibility in that matter on to the provinces and expects them to keep the price paid by the processors up to the $3.25 level for 3.5 per cent milk. I am not advocating at this time that the federal government should move out of this field and enforce a price of $3.25 to be paid by the processors to the milk producers, but I think it is perhaps a little unfair to suggest that the provinces are the only ones to have this responsibility.

I suggest to the minister, and I am sure he knows this, that a lot of problems would arise if the Canadian Department of Agriculture were to pay the subsidy regardless of the price paid by the processors to the producers. I am fully cognizant of that problem, but I believe that in some parts of Canada the idea still exists that it is somehow up to the provinces to move into the field of floor prices and to tell the processors that they should pay the $3.25, otherwise the government will not pay the 75 cents subsidy.

As I said, Mr. Chairman, there are a lot of questions that are still unanswered and perhaps we will get some answers to those questions when we come to a clause by clause consideration of the bill.

The minister went on to say that the Canadian agricultural policy would only be satisfactory as long as the prices paid to the farmers are commensurate with the cost of production. I should like to suggest to him that he has a great task before him if he

wishes to extend this policy into all the fields of agriculture. We all recognize the magnitude of the problem, and I should like the minister to know that if in fact he intends to try to raise the whole price price structure in other areas of production and then provide a meassure of stability, then we in this party are not only ready but willing and anxious to give him our support.

This is not the time to go into a long discourse respecting the way in which the costs of production in agriculture have risen far beyond the comparable increases in the profits made by the farmers, because I am sure the minister is well aware of this. I also hope he is well aware that this has happened in many other fields.

The minister suggested we need to have efficient and viable farm units and that action has been taken in this regard through the Farm Credit Corporation and ARDA. I fail to see how making additional credit available and getting the farmers deeper into debt will assist them, unless we take a more active part in marketing and particularly in giving greater protection to our home producers.

The minister suggested that the setting up of this new Canadian Dairy Commission is a significant step in the marketing of some agricultural products. Perhaps that is so, but in his explanation of the functions, powers, and duties of the Canadian Dairy Commission he did not give us any detail other then that of providing a subsidy of 75 cents per hundred to the processors, who are paying $3.25.

As I said a few moments ago, the minister said something about the promotion of dairy products in Canada, but so far we have not heard any details on whether this promotion will take the form of advertising programs or other types of promotion campaigns.

The other point about which I am particularly concerned is whether the minister and his officials have clearly determined what action they will take to keep the processors paying the producers at least $3.25. I think it will be very unfair if some processors were found to be paying less than the $3.25, because this would deprive the producers not only of the difference in the price they were getting but also of the 75 cents subsidy.

As I said, I realize that many problems are involved here, because if there were no cut in the price then perhaps the processors would allow the federal government to take over a large very large part of the total price of milk paid to the producers in those areas.

[Mr. Olson.]

• (9:10 p.m.)

I wish to say in closing, Mr. Chairman, that we support this new dairy program. We know that there will be some difficulties in administering it, but we hope that since this plan has been in effect since April 1, this trial period will have bought to light some of the administrative problems that will be encountered and that the department will have found ways and means of dealing with them. I want to say also that if there are any other areas of agricultural production in which the minister feels the government can provide the necessary action for raising the whole price structure, we in this party are willing and ready to give the kind of support that we think agriculture deserves.

[*Translation*]

Mr. Racine: In an election campaign, a candidate is somewhat like a traveling salesman, trying to sell his fellow-citizens, his electors, the merchandise prefabricated by the party he represents.

Now, during the last campaign, two important aspects of the government program were of special interest to eastern farmers, the amending of the Crop Insurance Act and the creation of that Dairy Commission for Canada. Our dairy industry, as everybody knows as was pointed out by the opposition parties, was not very prosperous. We must nevertheless admit that the hon. minister, and I wish to agree with the opinion expressed by the hon. member for Kootenay West (Mr. Herridge), even though he is a lawyer, understands very well the agricultural problems. We have become aware of that even after a few months and since he has assumed that responsibility, he has already done much for the dairy industry, by increasing the price of milk and particularly the subsidies already granted to casein, thereby helping many factors in the eastern areas.

I think that a dairy commission for Canada will provide dairy farmers with the same services that are provided to the western farmers through the Canadian Wheat Board. The eastern area had been neglected for a long time, and now at last, a Minister of Agriculture deigns to consider the main problem, the one concerning the dairy industry.

I cannot help congratulating tonight the minister and his government. I am sure most of the farmers, if not all of them, will be very

pleased to learn that such a piece of legislation, advocated by us, will soon be added to Canada's statutes. As was said previously, that dairy commission for Canada will group representatives from the dairy industry throughout Canada, and I am sure results will be forthcoming and that, as was also pointed out, the dairy farmer will have access to the income to which he is entitled.

I heard a while ago the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) speaking of election promises. Well, let us say for once that with respect to farming, we had promised two legislative measures which will be passed and implemented.

The hon. member for Saint-Hyacinthe-Bagot dealt not only with a dairy commission for Canada, but he gave a general picture of farming and stated that conditions were bad in Canada. Nevertheless, while he was speaking, he mentioned that when it was in office, his party had done everything. I wonder how everything had been done, since he now says that nothing is being done. I wish to point out, Mr. Chairman, that he spoke about crop insurance, but we, in eastern Canada, could not even take advantage of that measure.

I remember that that legislation was passed by the former government in office from 1958 to 1962, while I was sitting in the house. And I remember that hon. members from Ontario, Quebec and the maritimes rose to request the hon. member for Qu'Appelle (Mr. Hamilton), who was then the minister of agriculture, to amend this Crop Insurance Act so as to make it applicable in the provinces where mixed farming existed.

Now, Mr. Chairman, even after such a request from members of various provinces, the Crop Insurance Act had remained the same; so I am happy to see today on the order paper of the house that this act will be amended in order that the eastern provinces, which are engaged in mixed farming, might benefit also.

It was said that we had promised milk distribution in the schools. I am not at all surprised at this promise, Mr. Chairman, since we had a surplus in the country at the time it was made. We had butter and milk surpluses. The situation is not the same today, since some hon. members of the opposition, including the hon. member for Saint-Hyacinthe-Bagot, have even recognized that production might not be adequate in a few years.

As concerns the hon. member for Chapleau (Mr. Laprise), who appeared to criticize this dairy commission for Canada and said that the sole purpose of its establishment was to create higher administrative posts, well, I believe that an hon. member from the east who says such a thing concerning the dairy commission for Canada, which will render the same services as the Canadian Wheat Board, practically commits a sacrilege.

The farmers have been asking for this Canadian dairy commission for several years, and when the member for Chapleau says that this measure smacks of socialism I wonder whether he believes that the establishment of a Canadian Wheat Board was also a somewhat socialistic measure.

He suggests grants to raise the price of milk. I would advise him to talk about it with the farmers of his region when he goes home for the week-end; he will see that the farmer, today, does not want to live off grants any longer, he wants to run an economic farm and he wants commissions such as the Canadian dairy commission to be established so that he, an honourable man who wants to earn his living, may have an economic enterprise without government subsidy, like any other citizen.

Mr. Chairman, before concluding, for I shall not speak much longer, I should like to congratulate the minister on this proposal to establish a Canadian dairy commission. I do not doubt that his work will result for dairy farmers in benefits which will help them to operate profitably and live decently, like their fellow-citizens who work in other Canadian industries.

[*English*]

Mr. McCutcheon: I should like to take part very briefly in this debate tonight. At the outset I want to congratulate the minister upon introducing this resolution. I thought he did an admirable job in presenting his material. I believe part of the resolution is so good it should be repeated, and I propose to read into the record the first paragraph in which we find these words:

> —so as to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

This is a most commendable objective. As a matter of fact, I think it is just wonderful. I will bet the minister is against sin and in

favour of motherhood. In his explanatory remarks the minister went even further and referred to the Farm Credit Corporation, the farm machinery act, ARDA and several other beneficial pieces of legislation. My only comment, for the benefit of the city people, is that the minister used an extremely wide brush in painting the scene, and for the benefit of the farmers like myself, I would describe it as using a five tine fork. As far as I can see from the material in front of me, everybody gets something. The government gets three more commissioners on the payroll; the consumer is mentioned in dispatches; and the farmer gets some more promises.

• (9:20 p.m.)

The minister referred to the function of the commission as advisory. This is fine in itself, but I am wondering how it is going to work out. Who is there to advise, and how? The minister also mentioned liaison with the provinces, which I think is all to the good.

Another matter mentioned was that the commission has to administer funds. It seems to me that these funds are already being administered by the stabilization board. However, if this resolution does what it says it intends to do, it will be a milestone in the advancement of the agricultural section of the Canadian economy. I think it is only fair, however, that we reserve judgment on this matter at this time, until it is shown that by the mere appointing of the commission the dairy farmers of Canada have received $4 per hundredweight for milk.

The hon. member for Kootenay West said he was in favour of this advisory commission and that he felt it would be very helpful to the dairy farmers with their weather problems. I do not quite follow his reasoning in that regard.

Mr. Herridge: Has the hon. member never weathered a financial storm?

Mr. McCutcheon: I have been in a financial storm all my life; and the advisers take more out of the kitty than I do.

I trust that my remarks will not be construed as being negative. I should like to suggest to the minister that, although I am not from Missouri, I do hope that he will be able to show that this measure will do some good. I will promise him this, that I will support him in the appointment of this commission all the way, if it will accomplish that which is outlined in the resolution.

[Mr. McCutcheon.]

Mr. Moore: Mr. Chairman, I am pleased to hear the announcement of the minister that a Dairy Commission is to be established. It will be easier to comment on this matter of course when the details are known. However, it is an admission that the dairy industry is in trouble.

Great hopes were raised at the end of March when the new dairy policy was announced. The dairy farmers believed that they were going to get at least $4 per hundredweight across the board for their milk; that was to be the guaranteed price for all milk. This price of course, has not been realized by many producers. There is really no guaranteed price of $4 per hundredweight; there is only the hope that with the subsidy $4 will be realized. For example, the cream producers are not getting $4 per hundredweight for their cream in relation to the equivalent price for milk, even when the value of skim milk to the farmer is added.

In this regard, it should be realized in the first place that on many farms skim milk is of little value commercially, and perhaps of no value for feed purposes. Certainly it is not worth the price quoted for the production of skim milk powder. Only in certain cases can this price be realized. Naturally the fluid milk shippers get $5 per hundredweight for milk sold on quota, but they are in trouble with their surplus milk. In the first place, a subsidy is paid only on the surplus over 120 per cent of the quota, though why that figure was arrived at I do not know. It is certainly confusing to a lot of farmers. There must be a money-saving device involved here.

I remember a year or so ago that this was the reason which was given by the former minister for removing the subsidy of 25 cents per hundredweight on surplus milk over quota. The dairy farmer certainly did not get the money, though he needed it at that time. Perhaps the government did save the odd million dollars, which the dairymen certainly could have used. That may be one of the reasons so many dairymen decided to go out of business in the last year or two—that and the high production costs and tremendous boom in land values which make it almost impossible for a dairyman to pasture cattle or even to cut feed on high-priced land.

If the statistics are examined one would be amazed to find the number of dairymen who have decided to shut down businses in the last few years because they could not make a living at dairying, whereas they could in some other branch of farming. No wonder we

are facing shortages of dairy products. It is my hope that this dairy commission will have the power to act in the very best interests of the dairy farmers.

Resolution reported and concurred in.

Mr. Greene thereupon moved for leave to introduce Bill No. C-205, to provide for the establishment of a Dairy Commission for Canada.

Motion agreed to and bill read the first time.

Mr. McIlraith: I suggest we move on to the crop insurance resolution.

Mr. Monteith: I wonder whether the house leader will consider disposing of item No. 5, which is rather inconsequential, the amendment proposed by the other place.

Mr. McIlraith: Mr. Speaker, the business indicated for today included the crop insurance resolution.

Mr. Monteith: I do not think that was on the list.

Mr. McIlraith: Yes, it was. A question has been raised by some hon. members owing to the fact that the notice on *Votes and Proceedings* referred to the "house in committee at its next sitting thereof". At the moment I do not recall how the motion was put. I had asked on Friday that it be put in the form of the house in committee of the whole later this day. Which way it was put I do not know. In any event, I had indicated it on Friday for consideration today.

• (9:30 p.m.)

An hon. Member: Where was that?

Mr. McIlraith: In Friday's indication of the business of the house for today.

Mr. Knowles: The answer is in standing order 21(2).

Mr. Lambert: Following the suggestion of the hon. member for Winnipeg North Centre, if we look at standing order 21(2) we see that it reads:

When any other government notice of motion is called from the Chair, it shall be deemed to have been forthwith transferred to and ordered for consideration under government orders in the same or at the next sitting of the House.

The wording is quite important. It is "in the same", notwithstanding whatever way it may have been put at 2.30 this afternoon.

Mr. McIlraith: I would ask unanimous consent, Mr. Speaker, to proceed with the crop insurance resolution on the basis that it was the item of business we had indicated we would ask to bring before the house today. If that is not agreeable to the house, then we shall proceed to other business.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. The minister has asked for unanimous consent to bring this resolution forward. Does the house give unanimous consent?

Some hon. Members: Agreed.

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

Hon. J. J. Greene (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Crop Insurance Act to increase the maximum contribution payable by Canada on crop insurance premiums; to increase the maximum amount of the insurance that may be effected on any crop; to authorize the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees or perennial plants or losses arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excessive ground moisture, weather or other agricultural hazards; to provide further for consequential amendments in connection with the administration of the Act.

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

Mr. Greene: In speaking in support of this resolution, Mr. Chairman, I intend to confine my remarks to explaining the reasons and the necessity for the type of amendments which will be proposed in the bill and to give a general outline of the matters to be dealt with. I shall be prepared to go into the matter in considerably more detail when the bill comes before the house for second reading.

Hon. members will recall that the Crop Insurance Act was passed in 1959 to permit the Minister of Agriculture, with the approval of the governor in council, to enter into agreements with any province to make contributions to the administrative costs incurred by the province in the operation of an insurance scheme and to provide 20 per cent of the amount of the premiums which would be necessary to make the insurance program self-sustaining. Under the original legislation three provinces, Manitoba, Saskatchewan, and Prince Edward Island, entered into

agreements and commenced the operation of programs which they considered suitable for their own particular needs.

Hon. members will recall also that in 1964 my immediate predecessor introduced a bill to amend the Crop Insurance Act to make it possible under agreements with the provinces to provide for Canada to reinsure 75 per cent of the amount by which indemnities paid in any year exceeded the amount of premium income for that year and reserves and a deductible amount equal to 2½ per cent of the total face value of policies of insurance in effect in that year. Under this provision of the act, the provinces of Manitoba, Saskatchewan, and Alberta have entered into reinsurance agreements.

With reinsurance provided, the provinces were able to proceed with the expansion of their programs more quickly than would have been the case without this additional backing provided by the federal government.

Hon. members will possibly be interested to know that in 1965, 8,610 Manitoba farmers purchased insurance coverage totalling $18,680,730 and the latest statistics provided by the province indicate that the total premiums collected, including the 20 per cent share paid by Canada, was $1,608,612. The amount of the indemnities paid is reported by the province to be $380,000.

In Prince Edward Island, 267 farmers purchased $440,859 worth of coverage with the total premiums being $16,762 and the indemnities paid $45,593.

In Saskatchewan, 3,172 farmers purchased $4,565,700 worth of coverage for their crops, premiums paid being $369,091 and indemnities $120,853.

Alberta commenced the operation of a crop insurance scheme in 1965 and sold insurance in three test areas in which approximately 50 per cent of the insurable farmers participated in the scheme. Provincial officials advise that 1,312 farmers purchased coverage totalling $3,231,858, with the total premiums, including the federal share, being $290,723 and the total indemnities $480,080.

The maximum level of coverage provided under the original act was limited to 60 per cent of the long-term average yield of a crop in any area. One of the reasons that crop insurance was not considered more generally acceptable was that in some of the provinces, the yields do not vary to the degree that they do, for instance in the prairie provinces, and it was contended by farmers, farm organizations, and provincial governments, that yields very seldom, if ever, fell below 60 per cent of the long-term average.

In addition to contending that yields seldom fall below 60 per cent of the long-term averages, it was also contended that 60 per cent of the long-term averge yield did not always cover the farmer's investment in a crop.

During the past year the federal government was approached by several provinces requesting that Canada contribute toward the cost of emergency programs designed to assist farmers who had suffered extensive crop losses during the year. In agreeing to participate in a number of such programs, the government indicated that such participation would be provided for on the understanding that the provinces concerned would give serious consideration to the introduction of crop insurance which would provide protection against similar losses in future years.

Shortly after being appointed as the Minister of Agriculture, I arranged a conference at which my officials met with officials from all the provinces and at which the provincial people were invited to indicate what changes in the act were essentially necessary if the provinces were to provide useful insurance programs.

• (9:40 p.m.)

As a result of our continued study of the problems involved and the experience gained since 1959, I now propose a number of amendments which are designed to make the Crop Insurance Act more useful to our farmers and to the provinces.

While I will discuss the amendments in detail on second reading of the bill, I would indicate now in a general way the proposed amendments contained in the bill which will be made available to hon. members shortly. Probably the most important amendment is one which will permit the maximum coverage provided for any crop in any area, under an agreement with a province, to be raised from 60 to 80 per cent of the average yield. This amendment will also permit the establishment of the average yield on the basis of a single farm experience. In this latter connection, I would point out that statistics are not immediately available in many areas with respect to the yield history of individual farms but where it is possible, it is considered that a desirable objective is to provide coverage on the basis of what might be termed the normally expected yield of a crop on any farm.

The bill also provides, as I have mentioned—and this should encourage participation by the provinces, and it should encourage participation by individual farmers—for an increase in the federal contribution to premiums from 20 to 25 per cent.

As I have indicated, I shall be prepared to discuss these amendments in detail when the bill is before the house. I trust hon. members will give their favourable consideration to the resolution at this stage.

I would also point out that the amendments proposed provide for insurance coverage which will reimburse a farmer for costs incurred in preparing summerfallow which the farmer could not seed in the normal seeding season because of excessive moisture. The bill provides for extended coverage of this type to be provided in agreement with a province.

There are two other minor amendments which I shall not mention at this time; they can be dealt with on second reading. Before closing I should like to express my concern about some remarks which have been made in connection with crop insurance in recent weeks. There have been suggestions that the present act does not provide for spot coverage on individual crops. This is interpreted to mean that under the present federal legislation a province cannot produce a program which will provide for the settlement of claims other than on an entire farm or an entire crop basis. While it is true that present programs in effect in the prairie provinces make it compulsory to insure all of a specific crop and provide only for indemnities on the basis of the entire acreage seeded to that crop, the federal act does not in fact prohibit the issuance of insurance which would provide indemnities on the basis of losses pertaining to a portion of that crop or with respect to selected fields. It would, however, seem evident that premium rates based on spot settlement would possibly be much higher than those based on the loss related to the entire acreage seeded to any crop on any farm.

There has been some criticism, too, that the federal act does not provide coverage for forage crops such as corn, hay and pasture. In actual fact, the act places no limitation on the crops which may be covered and defines the term crop as meaning an agricultural crop declared by the regulations to be a crop for the purposes of the scheme. The crops listed under the regulations at present are: (a) wheat, (b) oats, (c) barley, (d) rye, (e) flaxseed, (f) grain corn, (g) buckwheat, (h) soybeans, (i) potatoes, (j) sugar beets, (k) tobacco, (l) sunflower seed, (m) rapeseed, (n) apples, (o) pears, (p) peaches, (q) plums, (r) cherries, and (s) apricots.

Mr. Danforth: Members on this side of the house have certainly listened with interest to the Minister of Agriculture introducing this resolution on the subject of crop insurance. We can well appreciate the reason the government has been placed in the position once again of having to amend this particular piece of farm legislation. For many years all major farm groups have been advocating that crop insurance be provided to each farmer on a basis which would afford him recompense for losses due to nature.

The fact that so few farmers have so far taken advantage of the Crop Insurance Act, even though four provinces have now agreed to accept the principles and work it out with the federal government, indicates that amendments were needed. The fact remains that farmers still did not feel that this measure provided the necessary protection. As a result they have not been taking full advantage of the crop insurance provisions even though, as was pointed out by the minister, by the 1964 amendment the federal government did agree to pay 20 per cent of the farm premiums.

Farmers today are keen businessmen. If something were offered to them as a bargain, the government paying 20 per cent of the premiums, they would certainly investigate it thoroughly. Nevertheless farm groups in Ontario, after investigating the farm credit insurance provisions put forward by this government, did not feel they could recommend to the provincial government that full advantage be taken of this particular measure.

I was interested tonight to hear the Minister of Agriculture say he had held consultations with various provincial ministers of agriculture and that this subject had been discussed in depth. I have no doubt it is because of these meetings and because of the views expressed by the provincial ministers that the amendments of which the minister spoke tonight are to be incorporated in the new legislation.

I hope that these meetings have been responsible for amendments to the act which will make the legislation adequate to provide for the losses which can be expected every year in some part of every province of Canada.

I am sure that because of the nature of the special crops grown in many parts of this country, the 60 per cent coverage of the long-term average was one of the stumbling blocks against a greater adoption of this particular insurance plan. I am pleased to note that the minister speaks of increasing this coverage to 80 per cent of the average yield.

• (9:50 p.m.)

I think farmers on the whole agree with this principle of spot settlement because in many instances when hail, drought or rust strike they do not affect a whole farm. The loss is confined to one particular part or section but the insurance is placed on a complete district, thus providing little recompense for an individual farmer.

The house is going to be seized of and intrigued by the minister's proposition that forage crops will be contemplated as ones to be covered by the policy, and I can see many problems evolve from this move on the part of the government. Certainly it is desirable, but a tremendous amount of work will have to be done to provide a practical method of estimating the actual loss, estimating the average crop, and determining whether or not 80 per cent or more of the crop has been damaged.

The minister also spoke of insurance to cover what he called production units. This will deal with fruit trees and other more intensified types of farming. Grape arbours, berry patches and staked tomatoes, and presumably various other high cost crops will come under this. I hope enough preliminary work has been done in this field so that an equitable premium can be established to make it possible for the producers of these high cost crops to take full advantage of crop insurance, and for the first time place them in a position where they can receive some recompense for the vagaries of nature that often cause them maximum monetary loss.

The fact that crop insurance has been implemented in only four provinces leads me to the next question as to whether, at his conference with the provincial ministers, the Minister of Agriculture was able to obtain an assurance that the provincial governments which have not yet applied this particular offer from the federal government will undertake to review the situation. I am speaking in particular of provinces like Quebec and Ontario. I hope they are interested enough in this crop insurance legislation to feel it can be utilized for their farmers.

[Mr. Danforth.]

I am rather concerned over the fact that there was an increase from 20 per cent to 25 per cent in the premium offer by the federal government. When this legislation was introduced I was interested to know why the figure of 20 per cent was chosen in the first place, and I found that this figure did not seem to entice many farmers to enter into this particular insurance policy. Now I wonder what is the basic reason behind the government's raising it from 20 per cent to 25 per cent.

Surely if farmers were not enamoured of the program at 20 per cent, an additional 5 per cent is not going to make much difference. On the other hand, certainly farmers are not going to turn it down, but it is food for thought why the government raised it just 5 per cent rather than 10 per cent or 15 per cent. Was this done on the advice of provincial ministers who felt it would make it a more successful insurance policy, or did the government have another reason?

I am not going to deal at length with the resolution tonight. The government has taken what farm orgnizations across the country felt was a necessary step. Something has been drastically wrong with the crop insurance program introduced by the federal government. I think all hon. members realize that basically it was not acceptable to the majority of the farmers. It is most necessary, especially in view of the growing costs which farmers are faced with today. But the fact that they did not adopt it universally leads one to consider that the plan in itself left much to be desired.

We shall look forward to reading the bill with real and sincere interest, and we hope the minister will then take all the time he desires to answer in detail many of the questions that will arise with regard to the manner in which the different provisions are going to be set up, the way they are to be administered, and the manner in which the various regulations and qualifications will be established as standards. A lot will have to be explained with regard to this bill, which is extending into a brand new field. It is a field of utmost importance to agriculture, and we on this side sincerely hope that for once the government has brought forth something that will be practical and workable and to the advantage of the Canadian farmer.

Mr. Herridge: Mr. Chairman, may I call it ten o'clock?

Mr. McIlraith: Mr. Chairman, I wonder if the hon. member would agree to make his presentation now, something which we are all awaiting with interest, with a view to having the resolution passed tonight so that hon. members can see the bill.

Mr. Herridge: I would very much like to oblige the house leader personally, but there are two or three other members anxious to speak at much greater length than I would normally, and I think we ought to be fair to them.

Mr. Greene: Mr. Chairman, if hon. members would give unanimous consent we could continue for a little while so that they could be provided with the bill once resolution stage has finished.

Mr. Knowles: Mr. Chairman, there are three members who wish to ask questions on the adjournment motion, and that takes half an hour. I think we have done pretty well today.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Flemming: Mr. Speaker, may we have the business for tomorrow?

Mr. McIlraith: Tomorrow we propose submitting as the first item for consideration by the house item No. 45 on the order paper, the Canada Assistance Plan resolution; then second reading of the health resources fund bill, which is item No. 66 on the order paper; then second reading of the Canada Student Loans Act amending bill, then the Customs Tariff bill, the Excise Tax Act amending bill, the Canadian Dairy Commission resolution; the crop insurance resolution with the hope that we could get the resolution stage completed and the bill before the house, and finally committee stage of The Company of Young Canadians Bill.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—MAKING OF SPEECHES ON POLICY BY ARMED FORCES PERSONNEL

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, there are times in this house when one might rise somewhat reluctantly and agree with a position taken by the government; however, I cannot do so in respect of this question, which was ruled out of order by Your Honour. It relates to a statement made by Air Vice Marshal Reyno to a local service club, and I refer to it at this time without hesitation.

Air Vice Marshal Reyno is perhaps as concerned with this question as anyone, but unfortunately he cannot participate in this debate. I make my remarks with no reflection upon him as an officer or a gentleman. I understand that in his capacity and in those areas in which he exerts influence he is recognized as a very able man.

This high ranking officer exerts influence and direction in his capacity as a member of the forces, whether combined or one of three as they existed before the minister took over his portfolio, with years of experience and training, and does so with credit to the service. I do take exception to certain remarks as reported in the Ottawa *Citizen* of June 11 in relation to a speech he made to a service club on Friday, June 10.

Air Vice Marshal Reyno is reported in this article as having made some very provocative, argumentative and debatable statements regarding the integration of the three forces in Canada. He is reported as having referred to morale and controversial pay increases, and toward the end of his speech he is reported as having referred to statements to the effect that every country in the world knows that it makes good, economic common sense to integrate defence forces, but that Canada was the first one with the intestinal fortitude to try to do it. There can be no debate as to the intestinal fortitude of the Minister of National Defence (Mr. Hellyer). He obviously has a surplus, in view of what he has done toward the integration of our three services.

I take exception to the principle in respect of which Air Vice Marshal Reyno was directing his remarks. I hope the minister comments on the reported statements of this officer to the effect that he, the minister was misinformed, ill informed or uninformed in reference to every country in the world attempting this experiment of integration.

There is no doubt that up to a point services can be integrated, but I question the statement that Canada is the showcase of the world in this respect. We have all in our junior school years looked through a microscope and been attracted by the crawling form

of life seen on the slide. I submit that the minister cannot stand in his place tonight and name one country that has examined what we are trying to do and followed our example. I cannot agree with any suggestion that we are guinea-pigs in regard to integration of forces. We may be guinea-pigs, but in a very narrow circle, and there is no foundation for the statement referred to by Air Vice Marshal Reyno in a speech made to a service club here in Ottawa, that every country after examining our experiment realizes that integration is the best thing to do, and that Canada is the only country that has had the intestinal fortitude to attempt it.

The Canadian Press carried a story that New Zealand looked at us, examined us by fluoroscope, by telescope, by microscope, by slide, and perhaps examined some of the speeches of the minister, which I would love to examine in more detail tonight; and having examined this question in some detail published a White Paper and decided as follows:

> Examination has led the government to conclude that such a combined force would not make sense in terms of our principal aim, to gain maximum effect from the level of contribution which New Zealand can make.

The White Paper continues:

> The force of this type which New Zealand could afford to maintain in peacetime would never be large enough to give a truly independent role in limited war.

I just wonder what type of force Canada intends. It is not an independent force. The United States and Great Britain forces have already been integrated with other forces, and it is superficial reasoning to think we can completely integrate our force in this mobile striking unit about which the minister talks.

Therefore, Mr. Speaker, it is the factual content of Air Vice Marshal Reyno's speech to the Kiwanis club to which I take exception first, because the same day New Zealand said they were not having anything to do with it and would not touch us with a barge-pole. I understand that Britain has also produced a White Paper, which is not yet published, saying that you can integrate dental, medical and some of the supply services but you cannot take away the identity of the three services. If you take that identity away, you lose the whole morale, spirit and esprit de corps of the services. Consequently, Mr. Speaker, I take exception to the principle involved in a high-ranking officer of the services speaking on a controversial subject such as government policy, and making a statement of this kind.

I believe there are other officers of high and low rank who would love to speak on these matters, and perhaps the minister will tonight give them the "go" signal. The theme for today seems to be "go" whether it be in connection with the space program or anything else. The policy seems to be that you can go-go. If this is the case, the minister cannot take exception to statements of this type, but because the statement was made—

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. Nowlan: All I say in closing, Mr. Speaker, is that if we are making basic changes in policy in this country, we would like to know what this policy is and how it applies to speeches of high-ranking officers in the services.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, there is no change in policy. The policy that has been in effect throughout the years, and is currently contained in Queen's Orders and Regulations, is as follows:

> Any officer or man may speak publicly in respect to service matters with the permission of the Chief of Defence Staff or such other authority as he may designate. Opinions expressed by officers or men under these circumstances are their own and do not carry the endorsement of the department.

I agree with my hon. friend when he says that Air Vice Marshall Reyno is one of the outstanding and knowledgeable young officers in the Royal Canadian Air Force and I am, frankly, very much impressed with what the Air Vice Marshall says because I think it to be the fact. In so far as my hon. friend is concerned, I can assure him that in the next 20 years every country in the western world will pattern their military organization after Canada and we will in fact be proud that we were the first in this very important field.

Mr. Nowlan: Mr. Speaker, may I ask the minister a question?

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. The rules do not provide for questions at this time.

OLD AGE SECURITY—REQUEST FOR STATEMENT ON INCREASED PENSIONS

Mr. Barry Mather (New Westminster): Mr. Speaker, twice within recent weeks I have attempted to ask the government

whether consideration was being given at cabinet level to the proposition of increasing the old age security pension by the payment of a bonus. On those occasions, Mr. Speaker, you ruled my questions out of order. In consequence I am raising it again at this late evening sitting.

• (10:10 p.m.)

The reason behind my question can best be found in a quotation from a news story which appeared in the Toronto *Globe and Mail* on June 11 and which reads as follows:

> Strong pressure is developing among Liberal M.P.'s, including some cabinet ministers, for special action to assist old persons who will not benefit from the Canada Pension Plan.
>
> The government is being urged to set up a special fund to supplement the basic $75 a month old age pension. The fund would decline as the benefits paid under the Canada Pension Plan rose over the next 10 years. This plan may be introduced late this year or next year when inflationary pressures ease off.
>
> The government had resisted efforts by the opposition parties in the Commons to raise old age pensions to $100 a month. But an increasing number of Liberal members, led by cabinet ministers, are arguing that something must be done to aid old folk.

The reported consideration being given by the cabinet to a bonus for old age pensioners is a very welcome one, if it is indeed a fact. We can only hope that, failing a general increase in the pension rate to $100 a month—which many hon. members would like to see—a practical step would be the immediate provision of a supplementary amount in the form of a bonus. This would at least make up part of that increase in the cost of living which the old age pensioners have felt very sharply in the last three years.

In asking whether the government is actually considering such a provision I wish to add a cautionary note. In the event that a bonus will be paid we hope it will not be done at the expense of the Canada Pension Plan. We think that the Canada Pension Plan should not be siphoned off by reducing it to augment the old age pensions. We believe it is possible to increase the current old age pension security by making money available without taking it from the Canada Pension Plan or from increased taxation.

It seems to us that the government has leeway in the economies it could practise to provide the proposed bonus to old age pensioners. For example I understand that approximately $2 million a day is being spent on national defence and that something like $1 million is being spent in simply paying the interest portion of the federal debt.

We think that if the government will take measures, as we hope it will, to improve the old age pension by providing a bonus, then it should not do so at the expense of another plan which provides for old age pensioners or people who will benefit from the new pension plan. We think that the government should face up to the fact that there is a gap between the present old age pension and the new contributory one, and it should move ahead to fill that gap on a national basis.

In conclusion, Mr. Speaker, I wish to say that at least in my view today's old age pensioners are probably the last people to remain in the valley of scarcity. Thanks to their work in bygone days the rest of us are emerging into a world of abundance, and I think it is fitting for us at this time to recognize the need of our older people by the provision of this bonus. I therefore wish to ask the government to consider such a move.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Answers to similar questions can be found on pages 6122 and 6434 of *Hansard*. I am sure the hon. member will realize after reading these detailed replies by the minister that there is very little I can add to what has already been said.

I should like to reiterate, however, some of the major points the minister made in dealing with those questions. I want to point out that in the current fiscal year, 1966-67 federal expenditures in respect of old age security will amount to $1,035 billion. It should be pointed out also that in 1963-64 the federal government was spending $755 million on old age security payments. This means that in a period of three years outlays have been increased by $280 million or 37 per cent. During this period of three years the level or rate of benefit has been raised and the number of persons covered has been increased by 100,000 through the lowering of the age threshold to 69 on January 1, 1966.

I think the hon. member for New Westminster will agree that it is impressive to note, as the minister did when discussing his estimates before the health and welfare committee, that 28 per cent of the federal government's expenditures are directed toward the health and welfare of the Canadian people. The largest single component of that is for our older citizens. Moreover, as my hon. friend knows the Canada Pension Plan is intended to be a long term solution to retirement support for the wage earners of Canada.

Proceedings on Adjournment Motion

I need not say that I, too, share a strong concern, as does the government, for the older people of Canada. The Liberal party has always been on record in support of increased assistance to old age pensioners. I believe that we have gone a long way during the past three years toward the achievement of our aim. We have in effect today a substantially more generous and much broader program for old age security recipients than was in effect when this government took office in 1963.

The Canada Assistance Plan resolution was introduced in this chamber one week ago. The bill would now be before us if it had not been for the reluctance of the members of the New Democratic Party to stop talking last Tuesday. This plan will provide such services as drugs, nursing services, prosthetic appliances and income supplementation for those who need it. The medicare legislation will soon be before the house. This is another indication of the government's concern—

The Acting Speaker (Mr. Rinfret): Order. The hon. member's time has expired.

Mrs. Rideout: —to provide the best possible medical care for all Canadians.

Mr. Knowles: Do not stop her; she has not answered the question yet.

Mrs. Rideout: It will be of special importance to our senior citizens. I would have finished within my time, Mr. Speaker, if it had not been for the interruptions.

Mr. Knowles: She has not answered the question.

IMMIGRATION—VANCOUVER—DEPORTATION OF JAPANESE GIRL

Mr. Howard Johnston (Okanagan-Revelstoke): I should like, at the outset, to express my appreciation of the action of the hon. member for Winnipeg North Centre (Mr. Knowles) in his seconding the question I raised this afternoon concerning the case of one Masako Endo, who had travelled from Japan to Canada with the intention of visiting here but who ran afoul of the immigration authorities in Vancouver. Apparently a deportation order has been issued to return her to Japan with her visit uncompleted.

Now, as one who has twice visited Japan, I am familiar first hand with the unfailing courtesy of immigration officials there. I know that on my second visit I made an error upon entering the country and failed to declare a trunk which arrived the next day. I suppose a deportation order could have been issued against me and I would have been sent immediately from the country. However, it was possible to talk to the officials and explain my oversight. I then completed a six month visit there. I know as well the concern of the people of that country for visitors from any land.

A Canadian girl who was visiting there at the same time I was happened to have her handbag stolen on the streets of Tokyo. The incident was reported in the Tokyo newspapers. Within a matter of two weeks she had received letters from all over the country, several handbags and more money than she had lost. People were concerned that a visitor should have been treated in a manner which they felt was unworthy of their country.

• (10:20 p.m.)

It was with some of the same feeling that I read the report in the newspaper this morning that this particular person expecting to visit Canada had been treated in such a heavy-handed manner by the immigration officials in Vancouver. Certainly if the government of Japan chose to reply in kind, I am sure that each year some hundreds of young Canadian visitors to Japan would be deported summarily. I know a great many Canadian visitors who go to Japan on visitors' visas engage in employment by teaching English to Japanese students. I happened to be one of them when I was there on my last visit. I am sure that if the Japanese applied the full measure of the law to all of these visitors, deportations would occur and be enforced. Fortunately they have taken a little more enlightened view, it would seem, than that which is taken by the immigration authorities in Vancouver.

It seems to me that this is a particularly unhappy moment for this type of publicity. This is the time when the summer tourist season is about to begin, a time when our visitors from Japan are increasing in number. They are an important source of revenue to the province of British Columbia and this country and they form an important cultural link with this Pacific nation. Should this sort of publicity reach Japan I am sure there would be consternation in the minds of a great many Japanese who had planned to visit this country.

Again, it is most unfortunate that this has occurred at a time when an immigration office has been opened in the city of Tokyo. I can think of nothing which would work more

against our professed desire to encourage immigration from this land than the sort of incident that has been reported in the paper. Even allowing for some exaggeration on the part of the press regarding the detention into which Miss Endo was placed by immigration officials, it should be remembered that she was barely able to speak English and would not be able to offer a full explanation to the immigration authorities.

I do not know just what the problem is here, whether the situation will require a change in personnel at Vancouver or simply a request from the department that a little more reasonable attitude be taken. We try to tighten down, I suppose, in the hope that the Hal Banks and the Munsingers will be kept out of the country; but all we succeed in doing is catching the most harmless people and subjecting them to what seems to me to be a totally unnecessary harassment.

I hope that this deportation order will be rescinded when the appeal is heard. I am amazed it has to be heard at all. It seems to me that if there is provision for a three-month visitation and a visitor wished to stay an extra month at the end of those three months, there should be some machinery whereby she could apply for an extension of one month and the matter could be dealt with in that way, instead of immediately issuing a deportation order, which once issued must apparently be heard, with the whole visit being placed under a cloud of uncertainty as to what is going to happen. I also hope that there will be some expression from the department to the officials in Vancouver to the effect that they be just a bit more considerate and reasonable in the demands which are made on visitors to Canada.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, by way of reply to the hon. member for Okanagan-Revelstoke, I would inform him that we have endeavoured to obtain a report from the officials in Vancouver. All we know at the present time seems to indicate that this young lady arrived on Friday, June 17 and was referred to an immigration special inquiry on the next day, Saturday, June 18. It would seem she did not have a visa when she arrived here.

I am certain that immigration officials really had no choice in the matter. I do not think they had any ambit for discretion. The young lady did not have a visa, and the only course open to the immigration officials, under our act, is to refer the matter to a special inquiry. I understand that has been held.

The young lady entered an appeal which will be considered within the next few days. There is no indication that there was any heavy-handed display toward her by our immigration officials in Vancouver. We certainly hope there was not. We again reiterate that there is no ambit for discretion when somebody comes to the country without a visa, which is the case at the moment. We shall try to obtain more facts and have them available as soon as possible.

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

HOUSE OF COMMONS

Tuesday, June 21, 1966

The house met at 2.30 p.m.

NORTHERN AFFAIRS

ALASKA HIGHWAY—TABLING OF REPORT ON IMPROVEMENT PROGRAM

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I wish to obtain consent of the house to table two copies of a report prepared for the department by the Stanford Research Institute entitled "An Improvement Program for the Alaska Highway".

Some hon. Members: Agreed.

COMMITTEES OF THE HOUSE

DIVORCE—CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. A. J. P. Cameron (High Park) moved that the first report of the special joint committee of the Senate and the House of Commons on divorce, presented to the house on Thursday, June 9, be concurred in.

Motion agreed to.

STANDING ORDERS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick-T. Asselin (Richmond-Wolfe) moved that the first report of the standing committee on standing orders presented to the house on Thursday, June 16, be concurred in.

Motion agreed to.

NAVIGABLE WATERS PROTECTION ACT

PROVISION FOR REMOVAL OF RAILWAY TRESTLE BRIDGE

Mr. Ron Basford (Vancouver-Burrard) moved for leave to introduce Bill No. C-206, to amend the Navigable Waters Protection Act (removal of Kitsilano trestle).

Some hon. Members: Explain.

Mr. Basford: In 1895 the C.P.R. built a railway bridge called the Kitsilano trestle across False creek in my riding. While the west block fire of 1897 destroyed most of the records, this bridge is quite obviously illegal, is constituting a hazard to navigation and preventing the industrial development of the region behind its structure.

The purpose of this bill is to empower the Minister of Public Works to remove the bridge at the expense of the C.P.R., at an estimated cost of $2,160,000.

Motion agreed to and bill read the first time.

• (2:40 p.m.)

HOUSE OF COMMONS

REPORTED SPEECH BY INDUSTRY MINISTER RESPECTING NEWS COVERAGE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Prime Minister in connection with a report in the press and over the radio to the effect that the Minister of Industry wants to establish a "designated area" for public information, for press and radio. I ask the Prime Minister whether in the enunciation by the Minister of Industry as reported, and I quote "—the answer would be for the government to print its own newspaper—"

Mr. Speaker: Order, please. I hesitate to interrupt the right hon. gentleman, but he knows we cannot quote from newspaper articles in framing or submitting questions.

Mr. Diefenbaker: I think what I can do is simply give the substance. I wanted to be so fair and put everything in quotations so that nothing would be lost. Has the government in mind the printing of its own newspaper and utilizing its control over the C.B.C. to the end that the Canadian people will see what the government believes they should see and hear what the government feels they should hear? In other words, does the government believe the Canadian people will benefit greatly from government controlled information?

Right Hon. L. B. Pearson (Prime Minister): Neither the government as a whole nor the Minister of Industry in particular has any such intention. My hon. friend may not have had the opportunity of ascertaining that the Minister of Industry has already categorically denied the accuracy of this report.

Inquiries of the Ministry

Mr. Diefenbaker: Mr. Speaker, I have seen these categorical denials in the past. I would ask the Prime Minister whether, in order to give the government that image it apparently has not got today, according to the report of the minister, the government has in mind the printing of a newspaper or directing or controlling the C.B.C.? That is the question I asked.

Mr. Speaker: Order, please. I would think that question is rhetorical.

Mr. Diefenbaker: No, Mr. Speaker.

Mr. Speaker: At least that is the way it sounded to the Chair.

Mr. Diefenbaker: Mr. Speaker, it was not allegorical either. I ask the Prime Minister whether the government has in mind the printing of a newspaper for the control of the C.B.C. in the references which are made to the august government that now presides over the destinies of Canada?

Mr. Pearson: Mr. Speaker, I am grateful to my right hon. friend for describing the government as august. The right hon. gentleman's question is not only rhetorical; it is hypothetical.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question for the Minister of Industry. I wonder whether the Minister of Industry can assure the house that he did not mean what he said to the Saint-Antoine-Westmount association last night.

Mr. Speaker: Order, please.

Mr. Barry Mather (New Westminster): A supplementary question, Mr. Speaker. I wonder whether the minister would agree with the idea that if the taxpayers are going to pay for a government publication, they should also consider paying for an opposition one.

Mr. Speaker: The question is argumentative.

EXTERNAL AFFAIRS

VIET NAM—STEPS PROPOSED BY UN SECRETARY GENERAL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Secretary of State for External Affairs, of which I have given notice. I should like to ask, in view of the statement by the Secretary General of the United Nations yesterday that he has proposed the cessation of bombing of North Viet Nam, the scaling down of military activities in South Viet Nam, and a willingness to deal with the Viet Cong as three initial steps toward peace in that unhappy country, if the minister would inform the house whether the Canadian government is prepared to make these steps the basis of its policies, and to urge the government of the United States to accept them as well.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend was kind enough to give me notice of his intention to ask this question. The government shares the concern of the Secretary General with respect to the continuing hostilities in Viet Nam, not only because of the human suffering involved but because of the effects for world peace inherent in this conflict. We have been in touch with the Secretary General on these problems and have discussed these matters with him.

The diplomatic initiatives in which Canada is engaged are designed to determine whether a mutually acceptable basis for a negotiated settlement exists. I believe my hon. friend would agree that Mr. Ronning having just returned to Canada, and our having just begun our discussions with him, and being now engaged here and elsewhere in discussions with other governments concerned, it would not help what we are seeking to do to take particular positions in this way when they would be bound to prejudice what we have in mind.

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. I wonder if the minister, in view of the remarks he has just made, would tell the house whether he has been in communication with the Secretary General of the United Nations with regard to the results of Mr. Ronning's recent visit and his previous visit to North Viet Nam.

Mr. Martin (Essex East): Mr. Speaker, I was in touch with the Secretary General prior to the visit to Hanoi last week. The Secretary General was aware of what the Canadian government and others had in mind. I am sure he would agree that this has been a very desirable course for us to pursue in respect of a situation which, I might tell hon. members, does not warrant the levity which my young and hon. friend has just, I know unintentionally, manifested with regard to a very serious situation.

Mr. Starr: A supplementary question, Mr. Speaker. Can the minister tell us whether Mr. Ronning is a mind reader?

Mr. Martin (Essex East): I was not referring to the hon. member who has just risen when I said "young member".

Some hon. Members: Oh, oh.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The minister is running true to form. Could we not get clarification with respect to questions asked, similar to that given by the Minister of Industry in another matter? Is the government of Canada taking an initiative that has been countenanced and agreed to by other countries, and as well by the Secretary General?

Mr. Martin (Essex East): Mr. Speaker, I have already told the house that the initiative we have taken was discussed with the Secretary General and with other governments which are deeply involved in this situation. I am sure those governments share with us, as does the right hon. gentleman, the hope that this continuing process will yield the kind of result for which the world over is looking.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. I would ask the Secretary of State for External Affairs whether the government will not make it clear to the United States administration that it does not share the view attributed to it by Mr. James Reston, that the escalation of military activities in Viet Nam during the summer is likely to lead to improved prospects of a negotiated peace. I suggest that this could be made clear without in any way interfering with any other initiatives we are taking.

Mr. Speaker: Order, please. The question posed by the hon. member is argumentative and may not be asked.

Mr. Lewis: A further supplementary question, Mr. Speaker. In view of the minister's answer may I ask whether the Secretary General of the United Nations sent to the government of Canada a copy of the proposals he has made? I understand he is supposed to have sent his proposals to interested parties. I should like to know whether he sent these proposals to the government of Canada and, if so, what reply is being contemplated.

Mr. Martin (Essex East): I have already dealt with the last part of the question to the extent that I feel, under the circumstances, would be prudent. With regard to the proposal itself which was outlined in today's press, I do not know whether the text of that statement has been sent to the government. I can say that two weeks ago I did discuss these very ideas with the Secretary General.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can the minister tell us whether it is still the position of the government of North Viet Nam that it will not enter into any negotiations until all United States troops are removed from South Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, I think my hon. friend will appreciate that that question asked on orders of the day would require a detailed explanation, and I would want to consider whether an explanation at this particular moment is desirable in view of what the Canadian government is seeking to do now or at some other time.

Mr. Diefenbaker: What is it seeking to do now or some other time?

Mr. Martin (Essex East): It is doing its best to try to bring about a negotiated settlement in Viet Nam.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: All right. And what has it in mind to do at some other time? The minister mentioned now or some other time. What has it in mind to do then? That is a nonsensical answer to get from the minister.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO DISCUSSIONS WITH NEW QUEBEC GOVERNMENT

On the orders of the day:

Mr. Réal Caouette (Villeneuve): I wish to put a question to the right hon. Prime Minister.

In view of the fact that federal-provincial relations are of vital importance and now present very thorny problems, has the Prime Minister got in touch with the new premier of Quebec since the latter was sworn in last week? If so, could he make a statement to the house in this regard?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am looking forward to an opportunity at an early date to discuss these matters with the prime minister of Quebec.

[*Translation*]

[*Later:*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a question to the hon. Minister of National Health and Welfare?

Did the hon. minister get in touch with the new Quebec government, or has he received from that government representations in writing concerning health and public assistance programs?

Mr. Speaker: It seems to me that question is very general, and I do not believe it should be asked under the circumstances.

[*English*]

TRADE

WHEAT—POSSIBLE SALES TO UNDER-DEVELOPED COUNTRIES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I had intended to submit my question to the Minister of Finance. Since he is absent I wonder if I might direct it to the right hon. Prime Minister.

In view of the world food crisis described at the United Nations Food and Agriculture Organization conference in Rome, are Canadian trade officers or wheat board representatives attempting to negotiate wheat sales to any of the underdeveloped countries of Africa or Asia?

Right Hon. L. B. Pearson (Prime Minister): I shall take notice of that question, Mr. Speaker, and discuss it with the minister directly concerned.

HISTORIC SITES AND MONUMENTS

GUELPH, ONT.—HOME OF LATE COLONEL JOHN McCRAE

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct this question to the Minister of Northern Affairs and National Resources, Mr. Speaker. The urgency of my question arises from the fact that important financial decisions are pending on the answers the minister may give. Is the minister in a position to advise whether the home of the late Colonel John McCrae, the immortal poet and soldier, will be made a national historic site?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): In reply to the hon. member's question I wish to say that the historic sites and monuments board has declared that the home of Colonel McCrae is of national historical significance. This means that our department will undertake to work with the historical society or the city of Guelph for its restoration on a fifty-fifty basis.

LABOUR RELATIONS

MONTREAL—STRIKE OF FREIGHT HANDLERS

On the orders of the day:

Mr. K. H. More (Regina City): My question is addressed to the Minister of Labour and I ask it because of the desire of everyone that the port of Montreal should return to normal working conditions as quickly as possible. Can the minister tell the house what effect the strike of Canadian National and Canadian Pacific freight handlers is likely to have on the situation at the port, and will he also say what action the government is taking to bring this strike to an early conclusion?

Hon. J. R. Nicholson (Minister of Labour): I do not like to dodge questions, but I suggest that this one should be addressed to my colleague the Minister of Transport.

Mr. More: With your permission, Mr. Speaker, I would direct my question to the Minister of Transport, then.

Hon. J. W. Pickersgill (Minister of Transport): I understand that negotiations are going on between the railway companies and those employees who have stopped working. I hope these negotiations are successful and can be completed without delay.

TELEGRAM TO QUEEN ON BEHALF OF B.C. UNION LEADERS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Prime Minister. I should like to ask the right hon. gentleman whether he has any knowledge of a telegram addressed to Her Majesty by the British Columbia Federation of Labour requesting the Queen's grace for some ten officers of the longshoremen's union who have gone to jail defending what they believe to be their rights under the Canada Labour (Standards) Code. If so, can the Prime Minister inform the

house what advice he has given or intends to give to Her Majesty in this connection?

Right Hon. L. B. Pearson (Prime Minister): I have no knowledge of the telegram, but I will make inquiries immediately.

HEALTH AND WELFARE

MEDICARE—STEPS TO PROVIDE TRAINED PERSONNEL

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): My question is addressed to the Minister of National Health and Welfare. In view of the debates which took place at the end of last week can the hon. gentleman now assure the house that the government will announce a short term emergency drive for medical manpower before the medicare legislation is introduced later this session?

[*Later:*]

Mr. Grafftey: I do not know whether there was a breakdown in communications, but I did address a question to the minister and I thought he was about to answer before the next question was addressed to the Chair.

Hon. A. J. MacEachen (Minister of National Health and Welfare): I am glad to advise the hon. member that this whole subject matter is now under consideration by the house. We have, as the hon. member realizes, both a short term and a long term program, and the health resources fund will have an effect in producing an increase in the number of personnel in the health field. But we shall have an opportunity to discuss this subject both later today and when the medicare bill comes before the house.

Mr. G. W. Baldwin (Peace River): I have a related question to ask the minister. Can the hon. gentleman say whether it is likely that the medicare resolution will be introduced in this house prior to the discussions he may have with his opposite number in the province of Quebec?

Mr. MacEachen: The timetable with respect to the introduction of the medicare legislation has not been altered.

[*Translation*]

BANKRUPTCY

REQUEST FOR CONSIDERATION OF FRAUDULENT BANKRUPCIES BY ROYAL COMMISSION

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I put a question to the Minister of Justice.

Inquiries of the Ministry

Would it be the minister's intention to set up a royal inquiry on fraudulent bankruptcies in Canada?

[*English*]

Mr. Speaker: Order. I have the impression that this question has been asked previously during the course of the present session.

Mr. Raymond Langlois (Mégantic): You are quite right on that point, Mr. Speaker; it was addressed to the Prime Minister. At that time he said the matter was before the Senate because of Bill S-17. That is now out of the Senate, and perhaps the Prime Minister has something new to communicate to the house.

OLD AGE SECURITY

INQUIRY AS TO FURTHER LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. In view of the minister's statement in Vancouver yesterday to the effect that the government is giving intensive study to the problems of our old age pensioners, can he say whether this means that some other legislation in this field will be placed before parliament at this session apart from what we already have?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would not rule out that possibility, although I am not confirming it.

Mr. Knowles: As a supplementary question—

Mr. Pickersgill: That is an answer worthy of Paul.

Some hon. Members: Oh, oh.

Mr. Knowles: Mr. Speaker, I am trying to ask a supplementary question. In the meantime, while the government is deciding on this and while the minister is trying to make up his mind, would he make a statement as to what old age pensioners are to do to meet the rising cost of living?

Mr. Speaker: Order, please. This question was ruled out of order previously.

Mr. Knowles: It is still a good question.

Inquiries of the Ministry

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO PAVING

On the orders of the day:

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I wish to direct a question to the minister of northern affairs and indian affairs. I have not given him notice, and he may wish to take it as notice. My question arises out of his tabling today of the Stanford-Flemming report on the Alaska highway. On the basis of this report I would like to know what progress is being made in the paving of the Alaska highway.

Mr. Speaker: Order, please. I suggest this question might be placed on the order paper.

Mr. Basford: With all due respect, Mr. Speaker, the paving of the Alaska highway is a matter of very great importance to the development of the north, and I am sure the house would be interested in the minister's answer.

Mr. Speaker: It is because it is very important that I suggest to the hon. member that he place it on the order paper.

Mr. Basford: Ten o'clock, Mr. Speaker.

INDIAN AFFAIRS

SASKATCHEWAN—JOINT PROGRAM OF HOME CONSTRUCTION

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, yesterday during the question period the hon. member for Mackenzie directed a question to the right hon. Prime Minister, in effect asking for a progress report on the federal-provincial experimental housing program for Indians in Saskatchewan.

In April, 1965 the federal government and the government of the province of Saskatchewan entered into a joint program to provide housing for low income families in sparsely settled regions of that province. The program was experimental in nature, designed primarily to meet the needs of the métis and enfranchised Indians in northern Saskatchewan.

Under the program to date the province has applied for financial assistance for the construction of 36 houses. The units have an average estimated cost of $4,500 and are to be sold to qualified applicants through co-operatives or directly by the province. Applicants are encouraged to provide a down payment of $500. The province provides at least $500 by way of grant. The balance of the capital cost is shared 75 per cent by the federal government and 25 per cent by the province.

This program, as I have stated, is experimental in nature but I am pleased to inform the hon. member who asked the question that officials of C.M.H.C. are considering possible extension of the program to other provinces, and their recommendation to the government is expected shortly.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I thank the minister for his answer, but I wonder is he in a position to indicate the number of houses that have actually been built for Indians to date?

Mr. Speaker: Order. The hon. member is asking for statistical information.

Mr. Korchinski: The minister may want to take that question as notice.

Mr. Nicholson: Mr. Speaker, that information is contained in the answer already given.

RAILWAY ACT

INQUIRY AS TO INTRODUCTION OF AMENDMENTS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to direct a question to the Minister of Transport and ask when the hon. gentleman expects to bring in the new Railway Act?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am hoping that some time before the end of 1966 I will be able to propose some amendments to the Railway Act.

POST OFFICE DEPARTMENT

REPORTED STRIKE THREAT OVER SALARY INCREASES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to address a question to the Postmaster General. In view of the reported statement today by the president of the postal workers' union that a strike would take place unless substantial wage increases were granted by the government, what action is the minister taking now to investigate the claims of the postal workers so they can be settled in an orderly way rather than waiting until a critical strike situation develops?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): It is still the same problem of Group B civil servants; their salaries are to be revised before the fall.

[*English*]

IMMIGRATION

VANCOUVER—DEPORTATION OF JAPANESE GIRL

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I wish to direct an inquiry to the Minister of Citizenship and Immigration. Since his parliamentary secretary said last evening in the adjournment hour debate that they would endeavour to ascertain more facts concerning the deportation order against Miss Endo and have them available as soon as possible, has the minister any additional information as yet?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I would like to take that question as notice on behalf of the minister.

BUSINESS OF THE HOUSE

POSSIBLE CHANGES IN BUSINESS ANNOUNCED FOR TODAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Public Works in his capacity as house leader whether the order of business today will be precisely as it was announced last night, or have there been any changes?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I indicated that in the business to be put before the house today the first item would be the resolution stage of the Canada Assistance Plan; and second, second reading of the health resources fund bill. Depending on the progress made in the debate it may be that after the resolution stage of the Canada Assistance Plan we would wish to call one of the measures standing in the name of the Minister of Agriculture and continue with it until private members' hour at six o'clock, and then at seven o'clock revert to the health resources fund bill. Subject to that I expect to follow the order of business indicated last night.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed, from Tuesday, June 14, consideration in committee of the following resolution—Mr. MacEachen—Mr. Batten in the chair:

That it is expedient to introduce a measure, to be known as the Canada Assistance Plan, to establish a program for sharing with the provinces in the cost of assistance, including health care and welfare services, provided to or in respect of persons in need, including mothers and children, older persons, disabled persons and unemployed persons who are in need, and in the cost of developing and improving assistance and welfare services programs including child and youth welfare programs throughout Canada; to provide for the making of arrangements for extending provincial welfare programs, with the approval of Indian bands, to Indians with reserve status, and for the making of payments to the provinces with respect to the cost of so extending those programs; to provide for the making of payments to the provinces with respect to the cost of specialized projects for assisting and rehabilitating persons in need or likely to become persons in need who have unusual difficulty in obtaining or holding employment; to provide for amendments to the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act that are incidental to or consequential on the introduction of the Canada Assistance Plan; and to provide further for the extension of the Established Programs (Interim Arrangements) Act to the Canada Assistance Plan.

• (3:10 p.m.)

Mr. Monteith: Mr. Chairman, this resolution was discussed one week ago, and I am pleased that it did not carry at that time. I have a few words to say on this matter. I might start out by saying we do support the resolution. I think it should be completely understood, however, that this is not any end-all to welfare legislation; it is purely a tidying up operation and there really is nothing new in it. It appears to me that in this 1966-67 fiscal year we simply are taking over $85 million of expenditure which previously was undertaken by the provinces. This is going to be paid by the federal government and, as I see it, we are going to co-ordinate and tidy up these pieces of legislation.

I am for that; let this not be mistaken. During my term of office I contemplated some operation of this kind. I recall so well when, during my term of office, we proposed any of our many advanced and improved pieces of welfare legislation the then hon. member for Essex East, at present the Secretary of State for External Affairs, made many blatant claims to having instituted all the good legislation ever put on the statute books of Canada. I remember one evening he was putting on such a good show that I became very impressed and offered him a position as an actor with the Stratford Shakespearean festival; his acting was really that good. If I

might digress for a moment, while I know his birthday is not until Thursday I should like to wish the Secretary of State for External Affairs the best of everything for that day.

Again, Mr. Chairman, I repeat that this is only a showpiece of legislation. I should like to examine some of the minister's remarks when he opened the discussion on this resolution. I know this government would like to have the people of Canada forget just what has been done in the past by way of welfare legislation, and I should like to outline some of the accomplishments in this field under the government of the right hon. Leader of the Opposition.

The last original set of estimates for the Department of National Health and Welfare prepared by our government in 1963 for the fiscal year 1963-64 provided $1,205 million. The last set of estimates by the previous St. Laurent government, for the fiscal year 1957-58, totalled $525,500,000. This is an increase of $679,500,000 in a period of six years. The increase in that period is approximately 130 per cent. I would point out that both these figures exclude any reference to old age security. We know what happened there. Immediately the house sat after our government took over in 1957 the old age security payment was raised from $46 to $55 a month, effective November 1, 1957. Effective February 1, 1962 the old age security payment was raised from $55 to $65 a month. These increases also immediately went to the recipients of old age assistance, recipients of the blind persons allowance and recipients of the disabled persons allowance; they were effective on the same date.

Then we remember that great period early in 1963. Big things were supposed to come about. We had the presumed 60 days of decision coming before us. Those days of decision were supposed to include presentation of a Canada pension plan. We remember what happened to that; it fell apart. Some three or four efforts later we did have a pension plan. The original plan suggested an immediate increase to $75 a month in the old age security payment, but this had to be withdrawn, as we well know. It was only through pressure by the official opposition when the house reconvened, I believe on September 30 of that year, that an increase in the old age security payment to $75 a month then became effective. The government neglected the recipients of the old age security, the blind persons allowances and the disabled persons allowances; their increase did not come about until 1964.

This government has allowed an increase in the cost of living which is incomprehensible to the people in these categories, the people who receive these allowances and who cannot get along without them. We know that old age security should be $100 a month today. Earlier this session we brought in an amendment to the effect that the recipients of old age security and these other allowances should receive $100 a month. Our motion was defeated by the people in the far left corner of the house; we would have had it except for that party.

A week ago today the hon. member for Simcoe East dealt with the need for this increase. We claim it is needed now, not sometime in the future. Only this morning I was speaking to a social worker who indicated the gross need for some help, some alleviation of the conditions under which these people are living. She mentioned one person who is existing almost entirely on shredded wheat. Another family had had no meat for quite a long period. These things are before us, Mr. Chairman—these needs, these requirements. This is the reason I claim we should act now to increase the old age security to $100 a month.

• (3:20 p.m.)

In his remarks a week ago the minister mentioned unemployment assistance. I should like to point out just what did transpire in respect of unemployment assistance. When we came into office in 1957 there was a 4.5 per cent minimum below which the federal government would not participate with the provinces in unemployment assistance. What happened? In the estimate for this item in the Department of National Health and Welfare for the year 1963-64, to which I referred earlier, the last prepared by our government, the amount was $110 million. For the year 1957-58, the last year in which the St. Laurent government prepared estimates, the figure for unemployment assistance was $5,125,000. This is an increase of approximately $105 million, from $5 million to $110 million. This indicates the welfare assistance steps that were taken by our government in an effort to assist the needy.

The minister spoke of supplementary payments to recipients of welfare assistance, and a huge part of the increase I mentioned from $5 million to $110 million is represented by these payments to various categories of welfare recipients. The government during the

last election campaign seemed to indicate that this increase represented something new and that something over the $75 per month to the aged would be paid. The government tried to hoodwink the people by suggesting that old age assistance would amount to something in the neighbourhood of $125 per month. I can show you legislation on the statute books which indicates that any amount of money which is paid by way of a supplemental allowance is shared between the federal and provincial governments on a 50-50 basis.

This house and the country are aware of the advance in social legislation initiated by the government of which I had the honour to be a member. I claim without any risk of contradiction that the greatest strides in social welfare to be taken in the history of Canada were taken when the Progressive Conservative party was in power.

I should like to refer to a few things about which the minister spoke in presenting this resolution. He referred to mothers' allowances and I am pleased that this type of assistance is to be given. When I was the minister a suggestion was made to the various provinces that if they changed their legislation our legislation could be interpreted in such a way that assistance in the form of mothers' allowances could be brought under the category of unemployment assistance. This suggestion was followed and involved a large portion of the increase in assistance from $5 million to $110 million over a six-year period. In any event, I am pleased that as a result of this resolution mothers' allowances will be supported by the federal government.

The minister also referred to health care costs which are to be brought within the proposed legislation. While it is true that people are receiving health care assistance from the provinces at this time, under this proposal the federal government will share in the cost.

Let me repeat that what is really happening is a transfer of payments. Instead of the provinces paying these costs alone the federal government is now going to assist. I am not against such a proposal but let us not forget that this legislation will not provide something new.

The minister said that the government intends to continue to contribute to existing categorical programs for the aged, blind and disabled. I assume this will involve a phasing out operation and that eventually these programs will disappear. He also suggested an extension of provincial welfare programs to Indians who are now living on reserves, crown land or unorganized territory. It is my belief that this type of assistance was provided formerly by the Department of Northern Affairs and National Resources through the Indian affairs branch. I realize that certain medical services were provided for Indians on reservations by the Department of National Health and Welfare and I am pleased to note that this whole program will be brought under the one department.

I was impressed by the minister's remarks which indicated that he was pressing for assistance to the severely retarded who have a limited employment potential. This potential can be developed if they are given an opportunity to partake in meaningful activity. This is a very worth-while step. We all know of the existence of private organizations which participate in this type of endeavour, and the one which occurs to me immediately is Marina Creations. I happen to be fairly well acquainted with this organization and I recall a visit made to my office by Mrs. George A. Marshall of Toronto at which time she set forth the work they were doing on behalf of the handicapped. This is worthwhile work and government funds should be made available in this regard.

Under this kind of a program the handicapped are taught to use the abilities they have. Some of them are not able to do much but through programs of this kind they are taught self-respect. Some of them even reach self-sufficiency to the point that they pay income tax.

During the last election campaign the Progressive Conservative party proposed that the means test be discarded in respect of retarded and disabled people. Certainly these people deserve assistance and encouragement in living their own lives and I am pleased that the minister has made some mention of assistance in this direction.

The minister spoke in glowing terms of the proposed legislation and suggested that it will cost an additional $85 million during the 1966-67 fiscal year. In this regard I should like to emphasize the words quoted by the hon. member for Winnipeg North Centre when he referred to a speech made by the parliamentary secretary to the Minister of National Health and Welfare in Fredericton on June 2 of this year. She said on that occasion that she wanted to make two general points. The first was that this plan does not involve any grand new programs. She said

the second point was that although the plan would operate under the umbrella of a federal statute and receive substantial financial support from the federal government the details of the various programs and administrative responsibility would rest with the provinces.

I conclude by saying that what this plan amounts to is really a tidying up operation which is completely inadequate for the needs of people in these welfare categories. Let us not be fooled by the government when it refers to supplementary benefits because any thought that there are additional benefits to be received is wrong and only a delusion. We should provide $100 a month now for our older citizens.

Mr. Saltsman: Mr. Chairman, in considering the legislation under discussion one must congratulate the federal government for recognizing its responsibility to assume a greater share of the cost of providing supplementary assistance to the needy. I hope the government continues to recognize this necessity and thereby relieves provincial governments of a portion of the growing burden of welfare costs. It is doing so to the extent that a tax rearrangement is taking place and there is greater recognition of the federal role to be played in Canada. These changes are gratifying.

• (3:30 p.m.)

What disturbs me about this legislation is the implication that this is in effect what the government is offering the senior citizens of Canada in response to their urgent needs. If this is so, if the government is using this legislation as a red herring to relieve itself of its responsibilities to our senior citizens, then this government must stand condemned in the strongest possible terms. This is part of the phony war on poverty, and I use these words advisedly because of a deep feeling of anger at having to stand by on this side of the house and watch the government lightly ignore the pressing needs of our senior citizens. At times the purpose of this legislation appears to be little more than to convince those who are prosperous in this country that the needs of those who are poor are being met. Yet this is not so. The needs of our senior citizens and of our disadvantaged are simply not being met by the legislation that the government is introducing at the present time.

It is difficult to understand how the government can ignore the almost universal pleas on behalf of the older people in this country after listening to hon. members in all sections of the house, including the government side, who have spoken and called for an increase in the old age pension. The only reason I can find for such lack of action is that the government thinks it is fairly safe in office. Although it is a minority government, it is fairly obvious that very few people in Canada want an election and because the government has assessed the mood of the country it thinks it can maintain itself in office.

Let me speak for myself in this respect. I do not wish to see another election any more than anyone else, especially when we consider the number of elections that have taken place recently. However, if we are going to have to defeat the government in order to get increased old age pensions for our senior citizens, than I think this government should be defeated and the sooner the better because positive action must be taken. This government is playing at politics although they know they have to do something for the older people in Canada. What are they waiting for? Will they hold off action on this matter until just before an election so they can look like geniuses and heroes at that time? Will they ignore the present needs and stand by and watch the kind of suffering that is taking place among our senior citizens before they do anything? I would certainly hope that will not be the case but we have had no indication that the government's intention is to do anything other than that.

The government has been saying that it cannot afford to increase old age pensions and in the very same breath it speaks of the fantastic progress that has been made in this country. They brag about our great $51 billion economy and they talk about the most affluent of times under the jurisdiction of the Liberal party. Affluent for whom and affluent for what? What sense of values have they when they say "this great affluent society, this great $51 billion economy", and in the same breath say "there is no money for our older people?" In my opinion Canada can very well afford to treat its senior citizens with decency.

It is interesting to note that Canada in comparison with other western nations has far fewer people over the age of 60. In the booklet called "The Aging Worker In The Canadian Economy" dated July, 1964 it is stated that only 10.8 per cent of our population are 60 years and over. Of course the

percentage of those who are 65 and over is even smaller. We can draw the conclusion from this information that an affluent society can easily afford to give increased support and sustenance to the small proportion of its people who require assistance. In Canada 10.8 per cent of our population are over 60; in Australia, 12.2 per cent; New Zealand, 12.2 per cent; the Netherlands, 13.3 per cent; the United States, 13.2 per cent and Sweden 17.3 per cent. In view of the resources of our country and our working population there is no reason to assume that we cannot provide this increased assistance to our older citizens.

We hear about priorities. The government says that education and other matters have a greater priority than old age assistance. No one denies the importance of these other matters and no one denies the need for education, medicare, etc., but what can have greater priority than the giving of assistance to those who require it? If necessary, some of these other matters can wait but this matter cannot wait because the hand of time will not wait for our senior citizens. Every month and every year that go by mean that a portion of their lives which could have been a little more worth while and a little more livable has been lost to them.

This situation requires some elementary justice. We have heard eloquent speeches from both sides of the house on why this country should carry out its obligation toward its senior citizens. These are the people who built this country. These are the people who lived in less than affluent times and who did not have the opportunity to put aside sufficient money for their old age despite the fact that they probably worked much harder than does the present generation.

Let me refer again to the information contained in "The Aging Worker In The Canadian Economy" regarding the educational level of our senior citizens aged 65 and over. It is said there that 65.6 per cent of them reached no higher than the elementary school level. The reason for this was certainly not their lack of interest in furthering their education but simply that it was not possible for them to do so. It is these people who have made it possible for those of us who are younger, for those now in school or who have been in school recently, to acquire a higher and fuller education.

• (3:40 p.m.)

Does this generation not owe at least something to them? Does it not have a duty to see that they get some minimum standard of living? When we talk about an old age pension of $100 a month we are not talking about the moon. We are not talking about a sum of money to enable our older citizens to live in affluence. At this time $100 per month will do little more than retrieve the erosion that has taken place in the $75. The old age pensioners are not only not advancing, not only not keeping up with the increased rewards of productivity and increased benefits obtainable in our society, but keep slipping inexorably behind. I do not know what the $75 would be worth in actual value today but it certainly would not buy as much as it would have three years ago. An increase in the pension at this time would do little more than put pensioners in the same position they were a few years ago.

Is this such a great thing to demand in an affluent society? Is this such a great thing to ask of the country? Is this too great a burden to place upon the working population, to ask our young people to provide some assistance for the generation that not only fought our wars in many cases but through their sacrifices built up public services and an educational system for the benefit of those who followed? I do not believe it is too great a sacrifice. I think it is a sacrifice our people would willingly make if the government would provide them with that opportunity. How can we stand by in Canada and see our resources used inadequately, and yet talk about not being able to afford things?

It seems to me that if this government had some better philosophy, some better attitude toward the management of this country, they would find that an efficient use of our natural resources would be adequate to the task of assisting our senior citizens. We heard a big hint earlier today when the hon. member for Winnipeg North Centre questioned the minister about the plans he had and whether he had any other ideas for helping the senior citizens of Canada. The member for Winnipeg North Centre did not receive much information.

There is a report from the Senate that calls for a different kind of program than a flat rate, old age pension. It is a good report and contains some worth-while ideas. In the years ahead the old age pension may not be the only answer to the problems of our senior citizens. What is the alternative? Has the government any other answer? Is the government considering any other program? Has it any hope to

offer the people of Canada who need assistance now or is the government merely obscuring the issue in such a way as to deny responsibility? Is this a way of procrastinating, a way for the government to drag its feet? Certainly it is not helping.

Occasionally we hear, and we have heard this from the government, that any increase in the pension would be inflationary. When the economy is bad the government says, we cannot afford these things. When the economy is good, increases in old age pensions become inflationary. No matter what happens in this country, whether we have high unemployment or low unemployment, whether we have prosperity or a depression, when it comes to increases in old age pensions the government says either that we cannot afford it or it is going to be inflationary. So far no one on the government side has said that the older people of this country do not deserve it. They would not dare to say this.

However, the government does assert entirely contradictory points of view. They say we cannot afford it and that it is inflationary. The government often asks, where are you going to get the money? When the government says that increases in old age pensions will be inflationary, I do not think they know what they are talking about. We look around and see the kind of spending that is going on in those sectors of the economy that are truly under some pressure and it does not make sense to see expenditures that really are inflationary. What is happening is that the government is not prepared to stop inflation in those sectors in which it should be stopped.

What is the older person going to do with an increase in the old age pension? Is he going to buy shopping centres, put up apartment buildings or erect a grand mansion? What is this $25 a month going to do for the pensioner? What is it going to enable the older people to do that is so inflationary? Will they buy a little more food or perhaps meet their rent commitments? They may spend it on drugs. Is this inflationary? They might buy a gift for their grandchildren. Would this be inflationary? They might take a trip.

If you study the expenditures of the older people in our society you will find that with few exceptions they are spending their money on fundamental things, and by no stretch of the imagination are those the things that are promoting inflationary pressure in this country. I was disturbed when the Minister of Finance brought in his great budget which was heralded for its originality. It was original because he adopted a magnificent double standard of taxation to gain the revenues he required. He was quite willing to impose taxes on the individual but when it came to corporations taxes were not the answer. Loans were the answer. I believe these loans amounted to over $300 million, and I believe that amount would meet at least half the cost of increasing the old age pension. Why do we have this double standard? Why was the government not prepared to raise the money and provide an increase in old age pensions?

We talk about national unity in Canada and we regret the fact that our people are increasingly turning to their provincial governments for assistance. We regret the fact that the people have a greater affection for their provincial governments than they have for their national government in Ottawa. Is this surprising when the federal government displays such callousness? If the federal government wants to make a contribution to national unity, if it wants the people of Canada to feel that those who sit here in Ottawa are not insulated from the rest of the people in this country, it should do something about old age pensions. However, the government does not hear the voice of the old age pensioners. So, Mr. Chairman, the provincial governments tell their people that they can do it on their own, that they recognize their need and will raise the pension.

• (3:50 p.m.)

Because those governments are closer to the people is no excuse for inaction on the part of the government in Ottawa. If the federal government in talking of national unity wants to make Canadians from one end of Canada to the other feel as though the government at Ottawa does care about them and wants to do something for them, then let the government act in fields such as this. Let the government at least do something in fields over which they have jurisdiction.

There is no question that the federal government can raise the old age pension. There is no question that this would benefit every Canadian in every part of the country. But the government does not do this. Frequently the government says it would love to do things to promote national unity and to show the nation that the national government is at least as deserving of the affection of the Canadian people as are the provincial governments. Yet they tell the people that these

things are beyond their jurisdiction and that they have no say in the matter. The government does have a say in the matter of old age pensions. But what is its answer? The government merely ignores the wishes and the needs of the people of the country.

Again we hear talk about redressing the balance between the rich provinces and the poor provinces. I think there is a real need for correction of the imbalance and to see that the poor provinces in Canada do receive more consideration than has been the case in the past. So the government brings in a measure which has its own built-in means test. The government brings in a measure, the Canada Assistance Plan, which provides that if a province is big, fat and wealthy it will get more money. The more money it can raise the more money it will receive. But if a poor little province cannot raise much money the federal government just matches the amount which is raised.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Saltsman: Mr. Chairman, if I might continue for a few minutes I will bring my remarks to a close.

The Chairman: Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Saltsman: Mr. Chairman, I should like to express my appreciation to the committee for allowing me to continue my remarks. I shall be brief and will sum up what I have said.

For every reason I have advanced, whether it be for the reason of social justice, whether for financial reasons, whether for the reason of national unity, whether for the reason of better income distribution in Canada to help the poor provinces, whether for the reason that this is part of the war on poverty, whether for the reason of making the people of this country feel that their government in Ottawa cares and is concerned about them—for all these reasons I urge upon the government to see to it that the old age pension is increased.

I would also indicate to the government that as much as many of us are desirous of maintaining stability and as much as we would regret precipitating an election, unless the government acts to do something to help the desperate need of the senior citizens of this country it may very well be courting its own defeat.

Mr. Diefenbaker: Mr. Chairman, I have some observations to make in regard to the subject of social security and in particular in regard to the Canada Assistance Plan, the item we are now discussing. I begin by referring to the summary of the minister, reported at page 6407 of *Hansard*, in which he said:

> —the Canada Assistance Plan will provide: a basis for co-ordinating public assistance programs in Canada;—

That has been referred to by the hon. member for Perth.

> —federal sharing for the first time in mothers' allowance programs; federal support for the strengthening of administration and welfare services related to social assistance programs; emphasis on developing, improving and extending services designated to lessen the amount of dependency; federal aid for buttressing child and youth welfare services, federal sharing of health care costs for social assistance recipients—

In large measure it is a bringing together, in co-ordination, programs of social security which time and experience have indicated are necessary. As has been stated by the hon. member for Simcoe East and the hon. member for Perth, there is no question whatever that this party will take any stand other than that of support for this legislation. Indeed, the hon. member for Perth set out in detail the course of action taken by the government of which I had the honour to be the prime minister.

I would remind the committee that in addition to the matters to which the hon. member made reference, during our period of office we reduced the residence requirement for payment of old age pensions in Canada from 20 years to 10 years. We brought in for the first time legislation to allow recipients of pensions to take their pensions with them when leaving Canada for health or other reasons. We brought about the increase in pensions, to which the hon. member made reference, from $46 to $65 per month, covering not only old age pensions but also blind persons' allowances and disability allowances. In one other field of social security, that of unemployment assistance, we removed the threshold clause and for the first time Canadians from all provinces in Canada and from the territories were made eligible to receive unemployment assistance benefits.

These and other matters, Mr. Chairman, indicate that social security is not a matter of monopoly by any one party. In the field of hospital construction the grants were increased during the six years that we were in office by 175 per cent. Grants for hospital beds used for active treatment were doubled from $1,000 to $2,000. I might deal with many of the changes made to assist those who were in need and to alleviate the economic conditions of those who required assistance.

In other words, we endeavoured to bring about within this nation a wide expansion of social justice, which I might define as the concern of government matched by government action to bring about higher standards of welfare for our fellow men and in particular for those who, because of age, disability, unemployment or other causes, would otherwise not enjoy a reasonable share of the good life.

• (4:00 p.m.)

I am not going to review the matters with which the hon. member for Perth dealt in such a comprehensive and effective manner. However, there is one field in which this government has failed, and failed demonstrably, to take action. I refer to its failure to provide an increase in old age pensions to $100 a month. The problem has been played with by the members of this government. Across this nation there has been an almost unanimous demand for action in this regard.

The view of Canadians as a whole, I think, was set out in an editorial in the *Chronicle-Herald* of January 15 last which stated:

> There is . . . a strong argument in favor of an immediate pension increase for all persons who now qualify for old age security, which increase should also apply to future pensioners who derive little or no support from the contributory plan.

We have tried. We have failed. The hon. member who preceded me stated that the need for action might very well bring about the defeat of the government. That may happen unless action is taken.

Let me review what has taken place. On Thursday, January 20, I had the honour to move an amendment to the effect that the old age pension be increased to $100 a month. A subamendment was moved thereto to have the increase commence at 65 years of age. Members of Her Majesty's Loyal Opposition voted in favour of the subamendment and again voted for the amendment. Nevertheless the hopes of the old age pensioner were defeated because every Liberal member in this house voted against that amendment.

Explain as they will that it was a vote of non-confidence, they cannot get away from the fact that at that time, had the government been defeated, the Governor General would have had to call on Her Majesty's Loyal Opposition as the alternative government rather than go to the country.

There is no doubt about that. That took place in the United Kingdom in the 1920's, and it is the only established precedent there is.

Why did the government succeed in defeating the $100 a month? Because it had the support of the Social Credit members who stood together with the government regardless of the attitude of people as a whole. Indeed, if they had not done so the old age pensioner today would be getting $100 a month.

An hon. Member: May I ask a question?

Some hon. Members: Hear, hear.

Mr. Thompson: On a point of order, Mr. Chairman—

Mr. Diefenbaker: The hon. member can make his remarks after—

Mr. Thompson: On a point of order, Mr. Chairman—

Mr. Diefenbaker: I have the floor, Mr. Chairman.

The Chairman: Order, please.

Mr. Thompson: May I ask the right hon. gentleman a question?

The Chairman: The hon. member for Red Deer on a point of order.

Mr. Thompson: My point of order is simply this, Mr. Chairman. The right hon. Leader of the Official Opposition has just suggested that if this amendment had been passed the old age pensioner would have received an increase bringing his pension to $100 a month. Would the passing of the amendment that the right hon. gentleman referred to have brought about that result?

The Chairman: Order, please.

Mr. Diefenbaker: Mr. Chairman—

The Chairman: The Chair is unable to discern any point of order in the hon. member's remarks.

Mr. Diefenbaker: Even though there is no point of order, I should be very happy to

answer. Had the government been defeated, as I said a moment ago, on that first want of confidence amendment in this parliament, there would have been no alternative for the government. It would have been the Prime Minister's bounden duty and responsibility to ask the Governor General to call on Her Majesty's Loyal Opposition to form a government. If that had been done a pension increase would have been the first matter of legislation to be brought before parliament and the old age pensioner would be getting $100 a month today.

I have never been able to understand the attitude taken by the Social Credit party in this connection. I was not able to understand it at that time. Since then it has become almost a chronic condition. No matter what comes up, the hon. gentleman and his group stand with the government, right or wrong.

I am glad that question was asked. I wanted the opportunity to clarify the position of affairs in this connection. It is interesting to find that those who voted against the increase to $100 a month, and every Liberal member did so, are today engaged in a variety of alibis. I am not going to designate the members supporting the government who have been explaining to their constituents how their very hearts bleed for the old age pensioner and how, if only they had the opportunity to vote for $100 a month, they would do so.

That is one of the reasons why all across this nation there has been a feeling of deep concern that representatives of the people, voting in parliament, voted against that in which they themselves believed. It has hurt the image of parliament.

Last evening the Minister of Industry spoke in the city of Montreal. I am going to quote what he said. It is supported by the *Gazette* as being entirely correct. Then I am going to refer to his revised edition which received circulation this morning. The *Gazette* states that the statement arose under circumstances in which questions were asked. And questions are being asked. Everywhere the old age pensioner says: "Why don't you do something about it? Why don't you secure us what is fair? Why, in the face of the greatest increase in the cost of living in Canada's history, are we made to live on a sub-nutritional basis?" This is understandable. I am sure the minister has had representations in this connection. I have seen one or two of his letters in reply. I congratulate him for his capacity to convey, by suggestion, support for that whose defeat he contributed to by his vote.

Hope is held out. "Wait and see", it is said. Lo, what was said in Vancouver in the last couple of days has rather dampened hopes. Mr. Chairman, the government has been leading the people to believe that $125 a month is just round the corner. Where the corner is, when it will be seen at close range, when we shall round it, will not be made known for the immediate present or apparently for a long time to come.

• (4:10 p.m.)

So I commend the remarks the hon. gentleman made yesterday. I am willing to congratulate him on never making statements unless they are well founded. He promised $25 million for the benefit of the Cape Breton coal miners and they are still waiting. But I am one of his supporters and I know that some time, somewhere, he will get around to carrying out that promise which was to have been put into effect immediately, a word which in the Liberal lexicon means "Whenever we think appropriate, however long the delay".

I now read from the *Gazette*:

> Industry Minister Drury said Monday night the Federal government should establish its own mass communication outlets to publicize its achievements.

Well, if they can publicize what they have done for the old age pensioners by establishing a government agency they will have achieved the impossible. I read further:

> "If Prime Minister Pearson isn't obtaining enthusiastic public support these days, it's because our government has been doing poorly in publicizing its achievements," Mr. Drury said in a speech to the federal Liberal association of his Montreal St. Antoine-Westmount riding.

One of the things they will not publicize, even though they come to control the media of communication, will be the fact that they have done nothing for the old age pensioner. Many of those who are sitting opposite me belong to that school represented by the Secretary of State for External Affairs who in 1956 said the country could not afford an increase of more than $6. in old age pensions. A number of those who stood with him on that side of the house are still in parliament. The hon. member for Kootenay East is one who supported that stand in 1956. Apparently today, in his independence, he supports the government in its refusal to increase old age pensions to $100 per month.

Then the Minister of Industry went on to say:

The public media—newspapers, radio and television—concentrate on the issues which cause parliamentary argument and bypass important legislation enacted with little fuss.

Well, they have certainly bypassed the fact that this government has refused to increase the pension to $100 a month. The minister is then quoted as saying:

Perhaps an answer would be for the government to print its own newspapers—

I do not know what hon. gentlemen opposite intend to do with the members of the press gallery when the government finally takes them over and begins printing its own newspapers. The quotation continues:

—and to utilize its control over the C.B.C. by inserting a few programs of its own as well.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Then the report says:

The minister admitted his idea "might give rise to some discussion".

Mr. Chairman, no minister was ever more prophetic. It even led to some discussion in his own mind as a result of which he issued a revised version today. And the interesting part is that all he deals with is the C.B.C. I will read his statement so that the record may be clear. I did not have it at question time today.

Commenting on a story in the Montreal *Gazette* of Tuesday, June 21, 1966, which quoted him as suggesting the use of the C.B.C. to broadcast programs prepared by the government, the Hon. C. M. Drury, Minister of Industry, stated that the quotation was inaccurate, out of context, and did not represent his own views or those of the government.

The minister stated that he was replying to a question concerning a public opinion poll during an informal question and answer period at the annual meeting of the St. Antoine-Westmount Liberal Association. He had attributed the result of the poll to overemphasis in the public news media on conflict in parliament and relatively inadequate coverage of important legislation. He had stated that the government should improve its methods of bringing its achievements to the attention of the public, including better utilization of such media as newspapers and television.

Then he said:

At no time did I advocate that the government misuse public ownership of the C.B.C. by inserting government programs.

You will note, Mr. Chairman, that he did not deny that, in his opinion, the answer might be for the government to print its own newspapers. The only part he denied was the statement that he intended to try to control the C.B.C. So in the revised version it now becomes clear what the hon. gentleman had in mind. Speaking in this institution for freedom, I want to say this: leaving aside the reference to the C.B.C., the statement made by the Minister of Industry last night reveals an unexpected frankness. It leads us to understand that thought control by the government and for the government, without regard for freedom, is not outside their thinking.

There is no denial of that part of the statement which expresses the opinion that the government should print its own newspapers. This is an amazing revelation. Last night the minister spoke. Today he revises. But never does he deny that what he has in mind—and when ministers speak they speak for the government—is the taking over of newspapers.

I can understand the somewhat cavalier manner in which questions in this connection were brushed aside today. The Prime Minister did not know the facts because in answer to me he said there had been a categorical denial of the things alleged to have been said last night by the minister.

There was no such denial so far as the publication of newspapers is concerned. That statement shows the arrogant state of mind of this government. It reveals that in their minds they feel the people of Canada are not as appreciative of them as they should be. If we had a recording of what the old age pensioners say about this government it would be unparliamentary. Members opposite are not getting the right interpretation from the press so they must have their own newspapers. We now have the information, revealed from the lips of one of the government's leading ministers, that hon. gentlemen opposite know best what the people of Canada should hear and see. Mr. Chairman, the revision is worse than the original report.

The revision removes only that part of the statement which deals with the control of the C.B.C. I have nothing to say about the C.B.C. but this: I have found, and this is regularly so, that whenever the government is in difficulty there will always be available independent observers of political thought who, free from any consideration except the edification of the people and the purveying of truth, will say "After all, the government did what was appropriate".

But, when we, on this side of the house take a stand that is critical, we can always be assured that not many hours later, through the facilities of the C.B.C., we will hear one of those independent commentators proceed to dislodge us from our position by alleging

that we are far removed from the facts. I see no reason why the minister should have found it necessary to suggest, if he did, control of the C.B.C., which he says he did not.

• (4:20 p.m.)

That speech last night by the Minister of Industry was the most revealing one we have had during this parliament. They cannot understand it. Something has happened. Halos are being removed from the heads of ministers of a government that for long was free from criticism. There are no halos for this government from the old age pensioners of Canada, from the superannuated civil servants, from the civil servants who are being denied their rightful increases at this time or from the veterans. I could go down the whole list but, as the Minister of Industry says, "If we had our own newspaper we could improve our image." If they did it would be a caricature of the truth.

Sir, this legislation represents necessary changes. It receives our approval, but with all the force at my command I again call on the government to act in increasing old age pensions. I do not know whether the parliamentary post office delivers only letters of praise and approbation to members of the government or whether correspondence from old age pensioners ever finds its way into their offices and into the offices of those members supporting the government. But if it does, the old age pensioners call, they ask, and they are denied.

Some of the letters I have received outlining the attitude of Canadians regarding the failure of the government to take appropriate action should have been written on asbestos paper. Under this legislation the old age pensioners have nothing to hope for whatsoever. Yet members of the government are talking about $100 million defence buildings, $6 million paintings, $10 million for this and that and millions of other dollars for other purposes. I hope that members sitting opposite, who heretofore have voted as strongly as they have been able against $100 a month for old age pensioners, will feel the twinges of conscience or else the scorpions of the old age pensioners as they call upon parliament to act.

This legislation is beneficial but what is needed now for the benefit of Canadians as a whole is an increase in the old age pension so that the old age pensioner will not find himself in a position of penury, faced by rising costs of rental, food, clothing and all those things he has to buy while, at the same time he is caught under a ceiling that makes it impossible for the ordinary things of life to be available to those who deserve better.

[*Translation*]

Mr. Caouette: Mr. Chairman, the resolution before us advises us that, in due course, a measure will be introduced giving effect to the resolution which reads as follows:

That it is expedient to introduce a measure, to be known as the Canada Assistance Plan, to establish a program for sharing with the provinces in the cost of assistance, including health care and welfare services, provided to or in respect of persons in need, including mothers and children, older persons, disabled persons and unemployed persons who are in need, and in the cost of developing and improving assistance and welfare services programs including child and youth welfare programs throughout Canada; to provide for the making of arrangements for extending provincial welfare programs, with the approval of Indian bands, to Indians with reserve status, and for the making of payments to the provinces with respect to the cost of so extending those programs; to provide for the making of payments to the provinces with respect to the cost of specialized projects for assisting and rehabilitating persons in need or likely to become persons in need who have unusual difficulty in obtaining or holding employment; to provide for amendments to the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act that are incidental to or consequential on the introduction of the Canada Assistance Plan; and to provide further for the extension of the Established Programs (Interim Arrangements) Act to the Canada Assistance Plan.

Mr. Chairman, the Leader of the Opposition (Mr. Diefenbaker) has just spoken at quite some length of a matter related to this resolution and naturally, to the bill which we hope will soon follow. He blames the government for not having granted our senior citizens $100 per month. He forgets, it seems, that three years ago, when his government was in power, the old age pension was $65 per month. He has been a member of the opposition now for three years and he tells the Liberals: you are mean, you are wicked, you do not give $100 a month to our senior citizens aged 70 or more.

Mr. Chairman, when an amendment was moved by the Conservative party, namely by the Leader of the Opposition himself, to the effect that the old age pension should be increased to $100 per month, we from the Ralliement Créditiste had voted for the amendment, not because we were Conservatives or Liberals, but because we were in favour of a $100 monthly pension for our senior citizens. But the paradox is not that we voted with the opposition. By the way, I

would like to mention that on the evening after we voted for the amendment, we heard on the C.B.C. the report of a commentator who is here in the lobby, behind the scenes, but who seldom attends our proceedings. Undoubtedly because he had not seen us, he said that thanks to the Social Credit, the Liberal party saved face and remained in power.

Throughout the country our stand was then taken to mean—I have kept in my office, letters which bear me out—that we had voted with the Liberals against the Conservatives' amendment.

Well, Mr. Chairman, the facts are quite different. It is true that the hon. member for Red Deer (Mr. Thompson) and his comrades in arms voted with the government and it is true that we voted against the government. Those who say that an amendment is not a bill or a resolution are right. However, should a free vote been allowed on the amendment or the increase in old age pensions, as was one for capital punishment—I feel that the old people in Canada are just as important as the question of capital punishment in Canada, and that a free vote should have been allowed then—the old people who would have received $100 a month at 70 or 65, as we suggested when the amendment was introduced. Mr. Chairman, people were confused.

• (4:30 p.m.)

We took a stand for our senior citizens and we are still asking for $100 a month at 65, without any means test, and at 60 for those who are in need. But that is not the question. I come back to the paradox which I wanted to point out a little earlier. The Prime Minister stated in the maritimes before the election of November 8: $100 a month is not enough, it should be $125 a month.

The government does not even want to grant $100 a month and it is talking about $125. The Minister of National Health and Welfare (Mr. MacEachen) talked of $125 a month in Vancouver a few days ago, but the government is careful not to grant $100 or $125 a month. Now suppose an election took place and the government were defeated; the Leader of the Opposition would be the new prime minister with his friends as ministers.

Then if he introduced legislation to give $100 a month, the Liberals would cry out right away and say: $100 is not enough, it takes $125 a month. That is the sincerity of the two old line political parties in Canada, the sincerity of those who are ready to make promises at election time and willing to forget them when the elections are over.

The hon. member for Hull (Mr. Caron)—I call on him to witness what I am saying, even if we do not share the same political ideas —has been promised for 15 years that public buildings would be built on the other side of the river. And what has the Liberal government done for the people of Hull in the field of federal public buildings?

Mr. Allard: It is a shame.

Mr. Caouette: A monstrous shame. The ministers should blush in shame, all of them without exception, for treating so unfairly the region of Hull.

Mr. Chairman, the Postmaster General (Mr. Côté) is losing his temper. He does not like to hear us criticizing the government—

Mr. Côté (Longueuil): You are the one who is losing his temper—

Mr. Caouette: No, I often lose my temper, precisely because the government takes no action. The Leader of the Opposition said a while ago that the government was busy setting up a propaganda system for itself.

I will state an immediate fact to the Postmaster General.

I wrote him about two months ago to request a post office for the western part of Hull. I was told that it was granted. It is not yet there. But the paradox, once again, is that the member for Gatineau (Mr. Isabelle) who was not even aware of that, sent a letter to the man who was to be appointed as postmaster, telling him: I recommended you strongly as postmaster.

And the Postmaster General will tell me that this is justice. Political patronage, patronage dispensers on the government side, that is what we witness.

Mr. Côté (Longueuil): Mr. Chairman, does the member for Villeneuve allow me to put a question?

Mr. Caouette: Certainly, Mr. Chairman.

Mr. Côté (Longueuil): Mr. Chairman, when the member for Villeneuve recommends somebody as postmaster, is that patronage?

Mr. Caouette: The member for Gatineau never made any recommendation to the Postmaster General, but I did, concerning the building of a post office in that area. I challenge the minister to send me the correspondence exchanged with the member for Gatineau. But, the minister has correspondence with the member for Villeneuve in that regard.

Mr. Côté (Longueuil): I never had personally any correspondence with the member for Gatineau concerning that post office.

Mr. Caouette: But the Postmaster General has had correspondence with the member for Villeneuve. That is certain.

Mr. Côté (Longueuil): I granted it on the recommendation of the department.

Mr. Caouette: How is it that the member for Gatineau wrote the man in question to tell him: "I firmly recommended you to the department". What has the member for Gatineau to do with that?

Mr. Côté (Longueuil): What had the Postmaster General to do with that also?

Mr. Caouette: Certainly, the Postmaster General has something to do with that; however, he has nothing to do with patronage.

Mr. Chairman, this is not patronage. I admit that when a man is elected to the federal parliament, he is elected by the people and this must be taken into consideration, whatever his political complexion. But let us stop this wire-pulling, as some members are doing or trying to do within the federal government, and the hon. member is aware of that; he knows that I am right.

Mr. Chairman, the Leader of the Opposition—

Mr. Côté (Longueuil): You are stuck—

Mr. Caouette: No, I am not stuck. The Postmaster General will be stuck long before I get stuck.

Mr. Chairman, coming back to this resolution concerning introduction of a bill to be known as the Canada Assistance Plan, I suggest that assistance programs do exist in Canada. We have had them in the past and we still have them today. This resolution does not say what the bill will contain. How will needy mothers be assisted? How will the aged, the blind or the disabled be further assisted? How will the unemployed be helped, under the new act or through unemployment assistance?

Only by reading the bill will we know exactly what the government proposes to do. One thing we do know, however, like everybody else, is that the bill itself will be centrally administered in Ottawa. Yet, every province has its own provincial administration in this field; therefore, there will be a duplication of administrative expenses, because we are already paying both Quebec and Ottawa; as far as we are concerned, we will again be paying Ottawa and Quebec, and the other provinces will do the same thing.

Mr. Chairman, this duplication could be avoided by returning to the provinces the whole administrative jurisdiction of these programs or this Canada Assistance Plan.

In the first place, poverty-stricken families, families in dire straits, blind persons, disabled persons, etc., are all better known to provincial civil servants. Federal authorities in Ottawa are far from those people while provincial authorities are near them; they already have the administrative machinery to look after persons in need.

If a mother receives $125 or $130 a month at the present time, there is no doubt that she is a person in need. She gets $90 and $10 per child; if she has five children, this means $50 plus $90, or a total of $140 a month. Mr. Chairman, I put this question to the government or to any minister: Who can support six persons here in Canada on $140 a month? Can anyone say that $140 a month is all you need to live on nowadays, considering the high cost of living?

Mr. Chairman, it is all very well for the government to fight or get ready to fight poverty, but the government should wage this fight effectively and, in my opinion, the best way to fight poverty is to give the provinces the necessary financial means to fight and stamp out poverty within their own borders. And each and every province is in the same state of financial stagnation.

Mr. Chairman, as I said, this legislation should be more generous toward our senior citizens. One hundred dollars a month is a strict minimum. I should like to point out that when a man receives the old age pension at 65 years of age, he is a person in need. He may receive $75 a month, others $85, because the provincial government can, from time to time, add $10 in this case, $10 in another, probably according to the political affiliation of the pensioner, but in any case the amount is $75.

And suppose the wife of this pensioner, of this 65-year-old man, is 57 or 58 years old, she is refused her pension, since she is not 60 or 62 years old.

Mr. Chairman, the new legislation concerning old age pensions should provide that whenever an old man has the right to become a pensioner and is eligible to an old age

pension, his wife should also become a pensioner at the same time, regardless of her age; 55 and 58-year-old women would not be compelled to do office work, washing floors at night, so as to bring home additional income and have a little more decent standard of living than can be obtained nowadays for two human beings with a $75 monthly pension.

Mr. Chairman, I am anxious to see the bill introduced, so as to know about the magnanimity, the generosity on the part of the government for the disabled, the needy, the old people of this country. I am anxious to see that. Then, I can assure you that if the bill is a generous one—generous is not the right word as we are showing no generosity for the disabled and the needy, since in all fairness they have a right to this—I will support it. But, if the bill to be introduced does not give them justice we shall fight it with all our might. On the other hand, should the piece of legislation be a fair one, should it really give assistance to the needy and the old people, I commit myself, on behalf of my group and personally, to support the government to the extent that there will be justice for the Canadian people who need it tremendously nowadays.

• (4:40 p.m.)

[*English*]

Mr. Gray: Mr. Chairman, I rise at this time to support this resolution with the hope that it will be soon approved in order that we can obtain the bill and proceed to move toward its adoption as quickly as possible. This will permit us to put into effect a very important and positive measure to help disadvantaged groups in this country.

I expect there will not be unanimity of opinion in respect of what I wish to say next because it is in direct contrast to some of the remarks of the Leader of the Official Opposition. But surely even he will permit me to say to the committee that in spite of his suggestions, it should be put on record that by passing the amendment to which he referred no change would have been made in the law and, in spite of his ingenious argument to the contrary, no immediate increase in the amount available to the aged and other groups in need in this country would have been brought about. As he himself said, it would have brought about the defeat of the government and its resignation.

The Leader of the Opposition went on to suggest that it perhaps might have caused the Governor General to call upon his party to form the government. What he neglected to say to this house was that he would then have had to present himself to the house after a Speech from the Throne to face a vote of confidence. I think it would stretch the imagination of even the most fair-minded members of this house to believe that the members of the New Democratic Party, for example, and members of other minor parties, to say nothing of the members of the Liberal party, would have supported him in all the aims he wanted to put forward. It can be stated that they would all have agreed, in spite of what he had in his program, that it would not have been in the the interests of this country to have another period of Conservative government. The only result of moving into another election at that time, which would either be under way now or just completed, would be that we would not now have this resolution before us bringing in the Canada Assistance Plan. I am confident this plan will provide aid in future not only to the aged but to other people who belong to disadvantaged groups in this country. This measure would not be before us now had the suggestion of the Leader of the Opposition been followed seriously when this parliament opened last January.

The fact is that we do have this resolution before us at this time. Once the bill to follow is passed it will bring about, with appropriate co-operation on the part of provincial governments, increased assistance to the aged and others including needy mothers and children, the disabled and blind.

For the first time we will have an integrated and uniform program to help needy groups which up until now have been assisted in a piecemeal manner through programs which left many gaps. But this program is one which is supported by many groups in this country, including the Canadian Welfare Council, which have studied this whole problem. I think every member of the house who has attempted to be in contact with his constituents and help them in a useful and constructive way with their problems is aware of the gaps that are present in existing programs of social assistance.

The minister said when introducing this legislation that at the present time assistance programs such as mothers' allowances do not have the financial support of the federal government. He also suggested that the maximum amounts available under other programs do not really cover the needs of those who require assistance to obtain a decent

standard of living. These people are faced with problems relating to obtaining adequate clothing, living accommodation, food and medical supplies. In some urban areas at this time they cannot enjoy a decent standard of living.

Very little argument, if any, will come from this side of the house against any suggestion that all Canadians as human beings are entitled to a decent standard of living. This is true particularly of the aged who have served this country well in its development. The Canada Assistance Plan resolution and the bill which will follow will go a long way toward filling the gaps that exist in present assistance programs and will help the aged and other disadvantaged groups to live in a more equitable manner than they can at the present time.

One of the big difficulties in respect of assistance programs now in operation is the application of the means test. This is an unfair and unrealistic way in which to provide assistance. Under the provisions of the present means test the income of recipients of assistance includes not only actual disposable earnings but also national amounts, for example, for rent in cases of individuals who own their own homes. Even though a person does not receive a nickel in the way of rent from a property he owns and lives in he must include a certain amount as rent in his income.

The present definition of means is unfair to those individuals who have been able to accumulate some savings during a lifetime of hard work. The present level of permissible savings is far too low, and very often because of the length of time required for provincial authorities administering these programs to come to a decision on applications for help these individuals who have accumulated savings below the permissable level must dip into them in order to exist. In this way they deplete these savings while waiting for approval of their applications for social assistance.

• (4:50 p.m.)

One of the most valuable features of the new Canada Assistance Plan will be the substitution of a needs test for the present means test so that amounts paid can be based on the actual need of the senior citizen the widow, the disabled and the blind who apply. Perhaps some of them may need $100 while others may only need $90 and still others may need $125 a month or more. According to my understanding of the bill which will evolve from this resolution, no limit will be put on the amount which the federal government will be able to contribute to match the provincial contributions available under the new programs based on the Canada Assistance Plan to meet the needs of those covered by it.

There comes a time, Mr. Chairman, when measures put forward in an attempt to treat all people in certain categories fairly turn out to have just the opposite effect. There comes a time when measures put forward on this basis actually create inequality. I think it is obvious that needs differ in different parts of the country. An amount that may be adequate in some outport in Newfoundland is unlikely to be adequate in Toronto or Windsor, and in fact needs may differ among people with similar problems living in the same community.

Someone once said that in medieval France the law treated everyone alike; it made it illegal for both rich and poor to sleep under bridges. I think it would be agreed by anyone studying this approach, which still exists under many laws today, that it provides a most unequal form of equality. So, to do nothing more in the field of social security than give people irrespective of need exactly the same amount can and does create and perpetuate inequalities.

I think there is no question that there is need in Canada today for a basic level of social assistance all across the country. However, it is my argument that to continue to give the same across-the-board increases, where the need for such increases exists, to everyone in Canada in exactly the same manner no matter what their individual needs in their areas may be will have the effect of creating and perpetuating inequalities. For example, I suggest that giving $100 a month, as the Conservative party has suggested, to everyone irrespective of their needs and of the amounts they have available will mean giving $100 a month not only to the needy, the aged and others in need of assistance but also to people such as E. P. Taylor and Senator McCutcheon. I suggest that even the good Senator McCutcheon will agree that he does not require this type of help now nor will he need it in the foreseeable future. I do not intend to speak disrespectfully of him, Mr. Chairman.

An hon. Member: What about Walter Gordon?

Mr. Gray: Others could be mentioned who are quite well off financially and who would receive this assistance although they are quite well able to take care of themselves.

I think the effect of the Canada Assistance Plan will not be to foster inequality but rather create a plan which will meet the needs of the individuals concerned. I might also say, that the use of the flexible needs test approach upon which the Canada Assistance Plan is based will help to bring about a more effective and efficient use of the moneys contributed to the federal government by the taxpayers of this country. It permits greater help to be given to those who are really in need and at the same time it creates a lesser burden on the taxpayer and a more effective use of his tax contributions than might otherwise be the case.

It is important to note that the programs covered by the Canada Assistance Plan are to be administered by the provincial governments because the existing constitutional arrangements of this country give them the basic authority required in this area. I think this is something we have to accept since we have to base federal assistance and support on the constitutional structure of this country.

And I think it is important to note that under this resolution the Canada Assistance Plan enables the provinces to increase their services through the recruitment of social service workers. For the flexible needs test approach to work most effectively it should be administered and applied in a humane fashion by a sufficient number of trained and interested people who are not only concerned with putting in a day's work but with dealing with the human needs of the people who come to them for help.

An important feature of the proposed Canada Assistance Plan is its emphasis on rehabilitation. Many of the aged who will be covered by the plan have contributed to the active life of this country and should therefore be entitled to call upon their fellow citizens to provide them, through federal and provincial assistance, with a decent standard of living with which to complete their days. However, there are others in need of social assistance who, with proper help, rehabilitation and training, will be able to play a more active and more useful role in the life of this country, and I am sure that is what many of them would like to do. I believe that the Canada Assistance Plan will make it possible for them to do so.

[Mr. Gray.]

As I said at the beginning of my remarks, Mr. Chairman, I understand there will be no limit on the amount of federal contributions to the programs supported by the Canada Assistance Plan provided these will be matched by the provinces. I hope that the provincial governments will not refrain from accepting their share of the responsibilities which at the present time seems to be constitutionally theirs so as to make the Canada Assistance Plan work in the way it is intended to work.

I also think it is an obligation of the provincial governments who will be administering the plan to inform the people who will benefit from it, and their families and neighbours, of the role of the federal government in providing not only the financing but also the framework of the social assistance programs covered by the Canada Assistance Plan. The public has the right to know what is being done with its tax dollars. It has the right to know the reason for these programs and who is paying for them. I urge the minister to make certain, in applying the legislation which we are discussing, that the methods of its implementation will be put into effect in such a way as to make the people of Canada aware of the contributions of the federal government. The provinces also have an obligation to inform the citizens living within their boundaries of the efforts of the federal government in providing a large part of this additional assistance.

I urge this house to support the Canada Assistance Plan and pass this resolution as quickly as possible so that the aged, needy mothers and children, the blind, the disabled and other groups concerned may receive the aid provided under its terms.

• (5:00 p.m.)

Mr. Johnston: Mr. Chairman, I think we can support many aspects of this plan in general because it is an effort to tidy up an area in which a great deal of tidying up is needed and where extra assistance is needed. I have before me the text of a speech made by the Minister of National Health and Welfare on June 20 in Vancouver. I should like to refer to one or two parts of that speech. I notice that on page 6, particularly there are words indicating that the additional $85 million designated for the Canada Assistance Plan will bring federal outlays on public assistance and welfare services to more than one quarter of a billion dollars.

I urge the minister, and any other minister, not to use that phraseology. When he means

the sum of $250 million he should not try by the use of such a phrase to suggest that he means a billion dollars. There is something a bit sad, a bit wistful, about reaching toward a billion dollars when one is barely a quarter of the way there. One wonders why the expression would be used in connection with this plan. However, I believe we see the reason when we turn to page 8 and look at that part of the minister's speech. He talks about the concept of a guaranteed annual income and he talks about it wistfully. A few weeks ago he spoke about that concept with hope but now he seems to speak of it with a certain amount of despair. I regret very much this change in attitude within a short space of time.

Speaking about the idea of a guaranteed annual income, the minister said:

> While the latter has a good deal to commend it, it has a number of far reaching implications which must be fully weighed before any decision is taken.

I would agree with him that it has far reaching implications. However, the real implication in a guaranteed annual income is that it would take the question of old age pensions out of the realm of politics once and for all. I suspect this is the reason the minister backed off from the idea of a guaranteed annual income. It would mean that we would not have the sort of exercise in politics that we have had this afternoon when speaker after speaker, particularly the Leader of the Opposition, indulged in the sort of political display that does not win elections in Canada any longer but only serves to complicate the election picture.

I should like to recall to the members of this committee the Senate report on aging, which is a remarkable report. A week or two ago Dr. Bortz from the United States appeared before a committee and spoke to us on the problems of the aged. He had the highest of praise for this report and said he wished he could claim it for his own country. He gave the Senate committee tremendous credit for its report which brought forth the concept of a guaranteed annual income. I should like to quote a paragraph or two from the report:

> If this approach were adopted the following steps would be involved:
>
> 1. The establishment of a technically competent body to study the income needs of older people and to develop a socially acceptable minimum budget for single persons and couples, which would be adjusted automatically each year on the basis of a suitable index of consumer spending or of earnings, with a review every five years to reflect changes in the relative circumstances of the working population and the retired population.

What a wonderful thing that would be. This country is capable of accomplishing it, we have the machinery. We could get old age security pensions out of the purely political area. The Senate committee made a further elaboration of the program as follows:

> (a) that the only conditions for eligibility under the income guaranteed program be age, as indicated above, ten years' residence in Canada, and net cash income from all sources, including old age security and the Canada Pension Plan, below the above amount.
>
> (b) that the program be administered and financed by the federal government.
>
> (c) that the procedure call for the completion of a simplified income form annually and that the amount by which the declared income falls short of the established minima in any year constitute the benefit for the year following.
>
> (d) that there be "sample checks" periodically, as under unemployment insurance, to catch abuses, but no means or needs test inquiries on traditional lines.

The one thing it would do would be to remove the idea of a means test and the guaranteed annual income would be accepted as a right. I believe this idea would be acceptable to the elderly people of Canada. I know they have been frightened away from it since the Senate report was made public. I believe they have been so frightened for political reasons because the present system is too valuable to too many people. We know that as long as old age pensions are a political football in Canada no government will be prepared to raise the pension to the point where it should be because if they did they would not be able to use it again, at least not immediately, in the Canadian political picture.

I urge the government to move on the matter of a guaranteed annual income. It must be put into practice somewhere on this continent. It is coming, I know, in many developed countries of the world. Let us lead for a change instead of following. Over and over again in this session it has been said the federal government should show strength. We hear that the provincial governments have been showing the strength. Here is the place for the federal government to try out a new concept, a concept where they have nothing to lose. The elderly people could not be any worse off than they are under the present system.

Once this system was tried I believe the government would find it would solve many problems. I believe the aged would find it acceptable. Then we could go on with this unusual concept and develop it until it became a factor in the lives of the Canadian

people generally and not just the aged. The *Globe and Mail* of today, June 21, contains an editorial headed "Guaranteed Income For Age". I should like to quote from it:

> The federal government has tried to depart from the flat-rate pension with the Canada Pension Plan, but this will not be fully effective until ten years after its initiation; and it will never do anything for the large group of old people who are already out of the labour market . . .
>
> The Senate committee on aging, chaired by Senator David Croll, earlier this year produced a plan which could take the emphasis off the flat rate, and provide greater aid to those who really need it without the humiliation of the means test. This proposal—

Then the editorial goes on and gives details of the figures suggested in the report for the guaranteed annual income. I quote from the editorial:

> The guaranteed annual income plan for persons over 65 would be simple to operate, it would adjust aid to need without an army of means testers, it would have built-in escalator machinery, and it would break up that solid block of pensioners which present far too great a temptation to irresponsible politicians.

I think that the government in its wisdom could very well move to introduce a guaranteed annual income for the aged at this time. We know that the Canada Assistance Plan was made use of in recent provincial elections. We know that it will be used again. We know now, from the resolution and the statements of the minister, that the people who have been using this plan in election campaigns have been using a will-o'-the-wisp because the plan will not give the elderly people of this country what they need in view of the rapid inflation at the present time. If the government is not prepared to introduce a monetary policy that might solve some of the problems of inflation, an inflation we seem to accept, then it is imperative that the government move to do something for the people who suffer most from the effects of inflation.

I urge that the government stop looking at their plan as one mighty package. The fact that the government does this is shown in the minister's speech in Vancouver. There is no need at all, so far as I can see, to attach the Canada Assistance Plan to the question of medicare. If the government can go ahead with medicare with the sort of unnecessary compulsion that is written into the plan, with the money going to provinces that do not want it, then certainly they could very easily introduce a guaranteed annual income plan for the aged. I suggest that the government drop the medicare part of its social assistance plan until the country is ready for it and instead concentrate its attention on the elderly people, an area in which so far it has failed to move at all.

[Mr. Johnston.]

• (5:10 p.m.)

I should like to say one last word to the members of the official opposition, particularly to their leader who unfortunately is not in the committee at the present time. I voted to support the government on the first motion of non-confidence when the house first assembled, and I was not ashamed to do so at that time. I went back to my constituency almost immediately afterwards and I was not afraid to go back there and meet elderly people and talk to them. I know that a great many of them did not believe the absolute falsehood which we heard repeated this afternoon, namely, that the five members of this political party were the only ones who had stood between the old age pensioners and an increase of $25 in the old age pension. We all know that the alternative which the Leader of the Opposition suggested this afternoon, that had this government been defeated the Governor General would have called upon him to form a government, is not what would in fact have happened.

I know that the Governor General is a man of great age but he is also a man of wisdom. Like so many other Canadians we all recall that the Leader of the Opposition had the opportunity to take this step when he was leader of a government with the largest majority the country had ever seen. I was out of the country for 18 months between 1961 and 1963 and in a way I was glad I was. Every time I read a paper from home I winced with embarrassment and shame when I realized the position in which Canada was floundering at that time and which led to the defeat of the government in 1963. That government was not even able to present a budget, let alone solve the problems of the nation.

I do not believe that at any time since, either the Leader of the Opposition or the people who support him have found a method which would have allowed 97 members, now 96, to have formed a government which could have worked and functioned in this country. I think one hon. member on the government side made the point that such a government would itself have had to face a vote of confidence and that that vote of confidence would not have been on the question of the old age security pension. I do not

believe for one moment that such a government would have withstood even the first vote of non-confidence.

What the members of this party did was to give the present government the opportunity to do something for the people of Canada, and the government has been doing something in many areas. Particularly over the last few weeks the record of legislation going through this house has been considerable. Although we support this bill I call on the government to take one more step, one of the most significant steps they could ever take, and bring in a guaranteed annual income for the elderly citizens of this country.

Mr. Korchinski: Mr. Chairman, in the few minutes remaining to me I do not think I need repeat the points which have been made in connection with the need of our old age pensioners. However, I do want to point out several weaknesses in the social justice measures we have in this country.

The first is in connection with widows. Take the case of mothers with children who have been receiving a pension or allowance of one sort or another. As soon as the children grow up and reach the age when they no longer attend school the pension is discontinued and no longer comes into the household. The mother then finds herself in the position where, having reached the age of 50 or over without having had any formal training and having tended her children in the home and made sacrifices, she is suddenly without income. This is a weakness in our social legislation today and I point out to the minister that it should be corrected.

The second weakness which I find in social justice measures that we have in this country is that there are strict regulations which bind social workers and deprive a disabled person of a pension. A doctor, having given a man a thorough check-up, may in all sincerity find that is not capable of physical work; yet because of the way these regulations are drawn up this person is not permitted to receive a disabled person's allowance. Many people with arms and legs are unable to perform manual work.

Some of the cases I have witnessed during my years of contact with the public are pitiful. They are not granted a disabled person's allowance and it is unfair to ask them to go to the municipality where they reside and ask for a hand-out from a group of people because they are no longer able to work. Consequently they often turn to labours for which they are unfitted. I have seen cases, as no doubt have other hon. members, where people drive themselves with the result that their health fails. These people have a certain amount of pride. They would like to be able to do the type of work they are forcing themselves to do but their health does not permit it. The regulations in this regard must be relaxed in cases where a doctor indicates a man is unfit to work, in which case he should be given a disabled person's allowance. I do not know how much time I have but—

The Chairman: Order. Under provisional standing order 61-A the time allotted to this debate, a period of five hours, has now expired. It is therefore my duty to interrupt the proceedings and put the question on the resolution before the committee. Shall the resolution carry?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. MacEachen thereupon moved for leave to introduce Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Motion agreed to and bill read the first time.

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

The house resumed, from Monday, June 20, consideration in committee of the following resolution—Mr. Greene—Mr. Batten in the chair:

That it is expedient to introduce a measure to amended the Crop Insurance Act to increase the maximum contribution payable by Canada on crop insurance premiums; to increase the maximum amount of the insurance that may be effected on any crop; to authorize the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees or perennial plants or losses arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excessive ground moisture, weather or other agricultural hazards; to provide further for consequential amendments in connection with the administation of the act.

• (5:20 p.m.)

Mr. Herridge: Mr. Chairman, I listened very carefully and with great interest to the minister when he was introducing this resolution last night and I noticed a little less

confidence in his remarks than I had noticed in his introduction of previous legislation. When he was speaking he reminded me of a cat walking across the piano keys with the sun in its eyes. I think he indicated quite clearly by his presentation and his manner of delivery that he considers this more or less experimental legislation and that he is not quite certain about its development in the future.

However, Mr. Chairman, we support the principle of crop insurance because we believe it is sound. From our point of view crop insurance for agricultural producers is the counterpart of unemployment insurance for industrial and other workers in Canada. To date, however, it is obvious from the reports we have had with respect to the administration of the crop insurance legislation that farmers have not, shall I say, been very enthusiastic over this legislation to date and have not been attracted by the terms of the legislation or the contracts or agreements required with respect to certain crops in various regions. I think it is quite fair to say that this is experimental legislation which will be developed from experience.

I might say, Mr. Chairman, speaking personally and I think with considerable support in the party of which I am a member, that crop insurance will not be successful until we allow the law of averages to operate by including all farmers in Canada under the legislation so that they may take advantage of it. I hope it will be extended to all farmers. Personally, provided there are proper safeguards I would be in favour of the consideration of a tax to provide crop insurance for all agricultural producers in this country. That is just my personal opinion. I think it would go a long way toward solving the difficulties which have been experienced to date with respect to various groups and various regions and with respect to the different circumstances under which various types of producers operate, because conditions are very varied in Canada.

I do not underestimate the difficulties in developing this type of legislation. I am sure that anyone with any experience in agriculture realizes that it will be some time before we have dominion-wide crop insurance which will be satisfactory to the great bulk of the agricultural producers in Canada.

I was very pleased to hear the minister speak of the conference held with the provincial ministers and of the decisions arrived at as the result of the experience to date. I think it is necessary that we have close co-operation with the provincial administrators if we want this type of legislation to be successful in the long run. I was interested to note that the minister said that the original 60 per cent coverage would now, as has been suggested, be raised to 80 per cent. I think that is a step in the right direction. I am glad that fruit tree destruction will be covered in future. This has been brought about largely as a result of the experience in the Okanagan where, through quite unprecedented frost, a large number of fruit trees were frozen and the capital investment of the fruit farmers in this respect had to be replaced. I was glad to hear that perennial and other plants will be covered in this new legislation.

The minister mentioned that he had, I think, a few minor amendments to introduce on second reading of the bill. We are looking forward to hearing what those minor amendments are. At any rate, the whole purpose of crop insurance is to reduce the hazards of weather, disease, pests and insects that are faced by all agricultural producers in Canada but by some in greater measure than others. There are certain areas which are, shall I say, high risk areas. There are others where there is very little risk so far as obtaining an adequate crop is concerned.

It might interest you to know, Mr. Chairman, that I have a property where a drop of rain need never fall and yet we have the most bountiful crops. I see the right hon. Leader of the Opposition looking at me speculatively. Let me explain, because it shows how different conditions can be. The ranch is in a valley some eight miles long and about three-quarters of a mile wide. It is covered with a ten foot depth of very fertile black soil which is very productive. The soil is on top of a solid rock basin and the mountains on both sides are between 7,000 and 9,000 feet high. The water in the valley comes from the mountains. Plenty of water comes from the mountains because they have snow on them which melts in the summer months, flows into the valley and down to the basin of rock ten feet below the surface. Then, of course, the moisture rises by capillary action. These are unusual circumstances, and that is why in that valley we only require one acre of land per season to pasture an animal whereas in the prairies 50 or 60 acres of range land are required to do the same thing.

In certain areas, even in the Kootenays, I know that owing to certain local climatic conditions apples produce scab at a much

greater rate than in other places. There are so many changes of circumstance and condition with respect to climate and other things that I do not think we should be finally satisfied until we have a crop insurance scheme in which all farmers in Canada are covered. The law of averages ought to be brought into play and crop insurance ought to be envisaged on the basis of a tax.

I shall not say more at this time. We are looking forward to the introduction of the bill. At that time we shall have the opportunity of asking the minister for a further explanation about the administration of the act and about the proposed amendments which have been mentioned and will be before us on second reading.

Mr. Nasserden: Mr. Chairman, the resolution before us is an important one to those engaged in agriculture in every province of Canada. Legislation such as this goes back to the days when the present Leader of the Opposition was prime minister of this country. Under his ministry there was brought into being the first Crop Insurance Act on the statute books of Canada for the benefit of farmers. That act, of necessity, was limited in scope. That was the beginning of legislation which will provide comprehensive coverage to farmers growing a variety of crops in the many provinces of Canada.

The resolution before us providing for amendments to the legislation, coming as it does after the initial experience that we have had with the act over the past few years, is an indication that all legislation should be brought back within a few years after being passed to be amended as experience dictates.

• (5:30 p.m.)

In the grain growing areas of the province of Saskatchewan we have had the Prairie Farm Assistance Act which was a relief measure provided by the government of Canada in co-operation with the farmers and to be used for their benefit. That measure has existed over a long period of years and provides for a system of deductions on a per bushel basis from deliveries of grain to the Canadian Wheat Board. That act has served a very useful purpose in western Canada.

The Crop Insurance Act was brought forward to extend the coverage provided under P.F.A.A. to make available to all who contributed the protection that they sought by making contributions. It is interesting for me, coming from Saskatchewan, to recall the hesitation with which the former administration in our province tried to bring forward crop insurance legislation. The present premier of Saskatchewan now says they have a brand new crop insurance act on a provincial basis. One of the provisions of the federal legislation is designed to increase the maximum contribution payable. I am wondering whether this means an increase in the benefits payable per acre or whether it means an increase in benefits taken as a whole across the nation. I suppose the bill will make this clear.

It is good to see in the resolution before us a reference to compensation for losses incurred when the seeding of land intended for fallow becomes impossible because of excess moisture. In the northeast portion of Saskatchewan many farmers have suffered losses in the past because of this hazard.

I should like to say that though my province has been slow to implement crop insurance plans it is perhaps just as well since it is now possible to build soundly without either the province or the farmers suffering unduly.

There is nothing further I should like to say at this time except to commend the government for the changes it is proposing in this legislation and to express the hope they will be effective in improving the legislation which was introduced some years ago.

Mr. Korchinski: Mr. Chairman, I should like to draw attention very briefly to what I believe to be a weakness in this legislation to date. I find no particular fault with the way in which the act was drafted; rather, I am finding fault with the administration of the act in the area with which I am familiar.

I am a firm believer in crop insurance. My own area is one which has probably suffered more than many others in the province of Saskatchewan because of frost and wet weather. The cost of farming being what it is today, I am afraid that unless advantage is taken of crop insurance one or two bad years will force many farmers out of business altogether.

In order that there may be greater coverage I would request the Minister of Agriculture in his discussions with the provincial ministers of agriculture to do everything he can to make sure there are sufficient men in the field who will do the advertising and go out and try to get the business, so to speak. In my own area it is impossible for one man assigned to three municipalities to contact all the people concerned. I believe there should be one man in each municipality of township size, and I doubt that even this would be enough to provide proper coverage.

It is only after these men have talked to individual farmers and explained the different rates that farmers realize, for example, that P.F.A.A. payments will not be deducted. These men could also explain that if no claim is made for a few years in succession the premiums would be reduced. Farmers do not know these things and it is therefore necessary, especially in the initial stages, to have more men in the field capable of explaining them.

It is not enough for the minister to say: Here are the amendments; from now on everything will take care of itself. I realize that there is a provincial responsibility here but I should like the minister to bring this point to the attention of his provincial counterparts. If they want to hire a few more men, that is all right with me. If those men happen to be their supporters, that is all right with me. But I do want the minister to try to put across the idea of providing more men to push crop insurance.

Mr. Patterson: Mr. Chairman, looking back across the years it is a long time, it seems, since we first discussed the possibility of adequate crop insurance. Though some attempts have been made since to provide coverage for those in the agricultural industry, insurance programs are still not adequate to meet the needs of farmers in many areas.

We recognize, of course, that provision of an adequate crop insurance scheme is a difficult proposition. So many different facts enter into it and there are so many different types of commodities to be covered. It is certainly far from easy to evolve a plan capable of meeting every situation.

However, I do not believe this should deter the government from bringing forward its proposals. There are still areas of this country which do not have the benefit of a crop insurance scheme. I know there are producers who cannot avail themselves of the benefits of crop insurance on account of the type of crop they produce, and I believe provision should be made to take care of this situation.

In my own area, the Fraser Valley, we have our own particular problems. Twice within the last few years our berry growers have been faced with tragic losses of stock. In 1955 the strawberry plants were practically wiped out. No provision was made for assistance. Very recently the area suffered a heavy frost which did tremendous harm to stocks. There was no measure under which the growers could receive assistance though they did get help through provincial disaster funds and so on. But there was no over-all plan to take care of such a situation. Definite provision should be made to bring the benefits of crop insurance to all producers, no matter what type of crop they grow.

I say these brief words in support of the principle of the resolution and hoping that the measure will be made applicable to farmers in every area and to the various types of crops they produce.

• (5:40 p.m.)

Mr. Fulton: Mr. Chairman, I am sure it has been very pleasing to the minister to note the extent of the support which this resolution has received from all parts of the chamber and I assure him I do not intend to be an exception. However, there are a couple of questions I would like him to take into consideration and to respond to before the resolution carries. I am thinking particularly of that provision in the resolution which allows for the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees.

I am quite certain no segment of the agricultural economy will welcome this extension of the crop insurance program more than the fruit growing industry, which is particularly vulnerable to the kind of disaster referred to, especially when one considers the fact that in so far as the apple growing industry is concerned it takes some seven years to bring an apple tree into production. The destruction of an orchard of trees therefore represents an enormous loss.

The fruit growing industry is of the greatest importance to areas in my district such as Salmon Arm and the Shuswap valley and, of course, there is the whole Okanagan and the Kootenay area as well. Though welcoming this provision, I wish therefore to ask for specific information whether the province of B.C. has committed itself to participation in such a scheme because I observe that the wording of the resolution reads:

> —to authorize the making of contributions to a province providing insurance coverage against losses arising from the destruction of fruit trees—

Second, I would like to know whether this program of crop insurance will now be applicable to the loss of an individual crop because, of course, there are occasions when the frosts do not destroy the trees but merely destroy one year's crop. Could the minister say if the scheme envisaged will make crop insurance available to the fruit growers of B.C. with respect not only to the destruction

of trees but also with respect to the destruction of one year's fruit crop?

[*Translation*]

Mr. Gauthier: I have only a few words to say on the introduction of this resolution dealing with the Crop Insurance Act.

First, I must congratulate the minister for taking the initiative of proposing a measure to amend that act. Surly he started out right by consulting, as he did, all the provinces. The job we did on the committee on agriculture, forestry and rural development was useful for the minister in this sense that it helped him draft an act which will finally win the approval of all provinces.

The province of Quebec—it is nobody's secret—did not yet dare undertake such insurance plans. We are always wondering for what reasons. We mentioned in the committee that the main reason was probably the diversity of cultures in Quebec and particularly the removal or the lack of insurance in the case of truck gardening.

Under the old act, truck gardening was not considered insurable. I believe that by adding this clause, the intention is to make insurance available for truck gardening and the main cultures in the province of Quebec. In my opinion, there is no reference to the volume or density of the crop, but simply to each individual farmer's crop.

There were objections because of the rather small volume of certain production classes in the province of Quebec. I do not understand why, when I find, in other provinces, certain classes whose volume is lesser still than in the province of Quebec, the latter would not seek an agreement with the federal government.

I also wish to call the attention of the minister to the fact that the province of Quebec would certainly be interested in a crop insurance which would cover not only damage caused by natural elements, but also damage caused by some artificial elements. Besides natural causes such as hail, frost, drought and parasites, etc., there are also artificial plagues such as we have been visited by for the last two or three years in our areas, specifically, the famous man-made rain.

These damages must absolutely be covered by insurance and, as I pointed out to the committee, in a way that will not be more expensive for the farmers but will have such disasters paid for by those responsible for them; in my area, they are the large lumber operators. These people cut their lumber during the summer and must have constant rain on their forests.

I believe this is a very important point to bring up when the minister undertakes discussions with the Quebec agriculture minister. It is a very important point for the province of Quebec, precisely due to the repeated artificial rains every summer. And I feel I should inform the minister that the pressure is being maintained also on the provincial minister.

Farmers' organizations have already started and I have already received a letter from the Catholic Farmers Union on this matter, asking me to call the minister's particular attention not only to the losses incurred from natural causes, but specifically from such notorious artificial devices which have been wreaking havoc with our agriculture.

I hope that Quebec and all other provinces will reach an agreement on the benefits now being offered under the act, that is 25 per cent of the premium payments and 80 per cent of the losses. I trust the provinces will seriously consider this act and will help increase the working capital of this insurance, so that it will be in a position to render the expected services.

[*English*]

Mr. Hees: Mr. Chairman, I rise to give strong support to this measure because it is going to increase the coverage from 60 per cent to 80 per cent of crop losses and also increase the government's share of payments of premiums from 20 per cent to 25 per cent. Both of these changes are very desirable and necessary.

Such a measure is particularly necessary at a time like this when the farmer's costs are rising and his returns are shrinking every day. The farmer must be assured of a fair return for his crop just as the industrial worker is assured of a fair return for his labour through the efforts of his labour union and through unemployment insurance when by no fault of his own his employment is cut off. As we know, when the industrial worker loses his job through no fault of his own unemployment insurance takes over and he is looked after until it is possible for him to obtain work at a future time. In exactly the same way, when a farmer loses his crop I believe he must be compensated for it adequately through crop insurance.

Crop Insurance Act

• (5:50 p.m.)

I believe the measure before us is going to be a worth-while improvement in the program which at present is in operation. In my own province of Ontario I know that the Ontario Farm Union and the Canadian Federation of Agriculture have been pressing for this kind of legislation. I very much hope that the measure now before us will prove to be sufficiently attractive to the government of Ontario so that it will be induced to participate in what I consider to be indeed a worth-while measure.

Mr. Fulton: Could the minister give a brief answer to the questions I asked?

Mr. Greene: Mr. Chairman, as the hon. member knows, the province of British Columbia now has its own crop insurance legislation. When he sees the bill I think he will be satisfied that it makes provision for agreements with regard to both the annual crop and the replacement of the trees, but as I said there is no agreement with the province on these specific points. I believe that when the bill is implemented we will be able to enter into an agreement in this regard.

Mr. Olson: Mr. Chairman, I have only five or six minutes to discuss some aspects of crop insurance. At the outset I should like to say to the minister that we are in agreement with some of the amendments which we expect to find in the bill following this resolution. First of all, we think a change in the maximum coverage from 60 per cent to 80 per cent is desirable. The minister said there would be some arrangement made with the provinces so that the crop insurance could be calculated on a single farm experience. We will be watching with a great deal of interest how the administration of this works out because I think there has been a lot of pressure on the Department of Agriculture in respect of what they have done under the Prairie Farm Assistance Act in the past.

I should like to say that I appreciate some of the reasons which have been advanced for resisting payment of prairie farm assistance on the basis of a single farm experience. My main reason for participating very briefly in the debate this afternoon is to raise again a question which I have raised a number of times before. Why has the federal Department of Agriculture not used extensively the experience gained under the Prairie Farm Assistance Act over the past 27 years in dealing with payments to farmers who have lost their crops for one reason or another? I would think there must be a wealth of experience among the large number of personnel who have been involved which could be used beneficially in the administration of a crop insurance program. This may be an academic question now because the federal government has entered into agreements with some of the provinces. It seems they are attempting to encourage the provinces to take part in a national crop insurance program.

I am a little apprehensive about what may happen to the prairie farm assistance legislation in the years ahead. If there should be any disposition on the part of the federal Department of Agriculture to withdraw from the prairie farm assistance program before crop insurance is tried successfully to the point where it is working satisfactorily, particularly in the Prairie provinces, I would point out that we must remember that the Prairie Farm Assistance Act has been a very satisfactory means of taking some of the tragedy out of the major crop losses over the past 27 years. If we consider the operation of that act over the period of 27 years I believe we will find that it probably has been one of the cheapest programs in relation to the number of people who have been guaranteed some return. As I say, taking into account the number of years, the number of farmers and the very large area that has been covered, this is no time to be thinking of setting that act aside until we are satisfied that the crop insurance program has developed to the point where it does in fact meet all the objectives which have been laid out.

The reason I mention this matter at this time is that I have heard rumours that there is some idea that in the near future, depending on what is the definition of "near future", the federal government will be encouraging more areas to get into crop insurance so that it can withdraw from the prairie farm assistance program. I think it would be wrong to move too quickly in this regard until we are satisfied that these other provisions are a satisfactory alternative to the provisions of the Prairie Farm Assistance Act.

Resolution reported and concurred in.

Mr. Greene thereupon moved to introduce Bill No. C-208, to amend the Crop Insurance Act.

Motion agreed to and bill read the first time.

RURAL DEVELOPMENT

PROVISION FOR ECONOMIC AND SOCIAL DEVELOPMENT OF SPECIAL AREAS

Hon. Maurice Sauvé (Minister of Forestry) moved the second reading of and concurrence in the amendment made by the Senate to Bill No. C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas.

Mr. Starr: Would the house leader explain the amendment?

Hon. G. J. McIlraith (Minister of Public Works): Bill C-151, to provide for the establishment of a fund for the economic and social development of special rural development areas, was considered by the Senate. The Senate amended it by inserting, in the provision which had to do with the requirement that the minister table an annual report in the house, that this should be done not later than six months after termination of the year and, if parliament is not then sitting, within 15 days after it meets.

Motion agreed to, amendment read the second time and concurred in.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED ON ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be debated at the time of adjournement tonight are as follows: The hon. member for Bow River (Mr. Woolliams), Indian Affairs —Alberta—petition of teachers respecting school conditions; the hon. member for Sherbrooke (Mr. Allard), The Canadian Constitution—request for joint parliamentary committee; the hon. member for Hamilton South (Mr. Howe), Canadian National Railways—Hamilton, Ontario—night shunting of cars in residential area.

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

• (6:00 p.m.)

PRIVATE BILLS

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill No. S-13, respecting Canada Health and Accident Assurance Corporation.

He said: Mr. Speaker, Bill S-13 is a bill respecting Canada Health and Accident Assurance Corporation which was incorporated by special act of parliament in 1945 and has its head office in the city of Waterloo in the province of Ontario. At the time of commencement of business the corporation had a small office and employed a staff of four. Since that time the history of the corporation has been one of steady and progressive growth. It is now a healthy and successful organization, having an administrative staff of 95 and selling its policies through 40 active agencies in all provinces of Canada, using the services of over 300 salesmen. The present number of policyholders of the corporation is in excess of 70,000.

At the present time the corporation offers policies of insurance covering all aspects of medical, surgical and time-loss insurance. The acceptance by the public of the services offered by the corporation is indicated by the annual increase in net premium income. In the first year of its operation the corporation had a net premium income of $73,000. This had grown to $1,608,000 by 1950, increased to $2,830,000 by 1955 and to $3,819,000 by 1960. The year end figure for 1965 approaches $6,000,000.

The last report of the Superintendent of Insurance for Canada discloses that Canada Health and Accident Assurance Corporation is the largest Canadian company engaged solely in the field of accident and sickness insurance. The report further discloses that the net premiums written with respect to individual cancellable policies by all-Canadian companies totalled approximately $7,100,000. Of this amount over $4,500,000 was written by Canada Health and Accident Assurance Corporation.

Based on its past experience, the corporation feels that it can now profitably enter into the field of life insurance. At the time the corporation enters into this field it will be more than able to meet the financial requirements as set out by the Department of Insurance. The corporation has been transacting business in the province of Quebec since 1950 and has increased its net premium income from $160,000 to more than $760,000. As Canada is a bilingual country the corporation feels that it should carry on business not only under the English form of its name but also under the French form, namely, La Corporation Canadienne D'Assurances Santé et Accidents.

The corporation also desires to increase its authorized capital stock to $2,000,000, divided into shares of $10 each to satisfy the requirements of the Department of Insurance.

The business of the corporation is presently administered by a board of directors, all of whom are Canadian citizens ordinarily resident in Canada. All shares in the corporation are presently owned by Canadian residents. It is the intention of the corporation to maintain Canadian management and ownership.

The corporation feels that by reason of its past history, progress and development it has indicated its ability to enter successfully into the field of life insurance. The corporation believes that its entry into the life insurance field would afford it greater opportunities to use the Canadian skills and initiative which have given it leadership in its existing fields of endeavour.

Mr. Frank Howard (Skeena): Mr. Speaker, I know the hon. member for High Park (Mr. Cameron) will be pleased that this bill has finally reached the stage of discussion because he expected it would proceed during two or three past private members' hours but on each occasion some unforeseen development prevented that.

It seems to me that this and other similar bills unfortunately have a political flavour attached to them by reason of the manner in which they are handled. I do not say that with any unkindness to the hon. member, but the system operates in such a way that it is always a member on the government side who is selected to channel bills of this sort through the house. Inasmuch as the original directors of this company were from the city of Waterloo, it seems passing strange that one of the members of parliament representing that area was not chosen to sponsor the bill, thereby giving it a more non-political complexion.

I note that almost all private bills of this kind are sponsored by members on the government side. For some reason or other the promoters gravitate toward government members, perhaps with the idea that greater favours will result. That is an incidental and inconsequential point at this time.

Mr. Walker: May I ask the hon. member a question?

Mr. Howard: Certainly.

Mr. Walker: If the hon. member will refer to page 28 of today's order paper he will see at first glance that there are at least five bills sponsored by members of parliament not on this side of the house.

Mr. Howard: I was not referring to page 28 but to the general policy. In the past people in various sections of the house have been chosen to sponsor similar bills but the general trend is for promoters to seek sponsors on the government side.

I am sure that the members of this house, particularly those who have advanced the cause of bilingualism, will look favourably upon at least the first part of the bill by which the company seeks authority to do business under both English and French versions of its name. This company has been doing business in the province of Quebec since 1950 but it did not decide until now that it would be worth while to recognize bilingualism. It is only doing so in this instance for profitable purposes rather than as a real recognition of the bilingual nature of this country.

One of the other aspects of this bill which I think is unique is, as the hon. member for High Park has stated, that all the shares of the company at the present time are owned by Canadian residents. That does not mean that they are owned by Canadian citizens but by people who are ordinarily resident in Canada. This is a step which has been taken as a token attempt to give corporations operating in Canada a nationalistic purpose, namely, to have the directors and shareholders comprised as much as possible of people who are ordinarily resident in Canada.

• (6:10 p.m.)

It augurs at least partially well for the company that all its shareholders are resident in Canada, and I take the use of the word "resident" to mean that they are not necessarily all Canadian citizens.

This company reflects to a large degree a success story because only some 20 years ago when it first went into business, as the hon. member for High Park pointed out, it employed only four people. I understand that at the present time it employs an administrative staff of some 95 people as well as 200 or 300 salesmen. To increase the sales and administrative staff from a total of four people to half a thousand in a matter of 20 years reflects a large degree of success. The same applies to the income of the company over the same period of time. I believe that this company started operating in 1945 or 1946 and had a net premium income of some

$73,000 but in 1965 its income was close to $6 million. This again reflects the success that can be achieved by companies in the insurance field. It also indicates the incentive of this company is solely to make profit, which undoubtedly applies to other companies in the life insurance field.

I am sure this company does not ask to be incorporated simply because its corporate officers happen to think it is a good thing for Canada. In fact, nowhere in the statement of the hon. member for High Park nor in the introductory remarks of the Senator who introduced this bill in the Senate was there even an intimation of any concern for the public good. I am sure the motivation here is the creation of an extremely profitable venture as has been proved by the success of the company over the last 20 years. The company now seeks to expand this success because it realizes how lucrative is the field of life insurance.

The reasoning advanced by my colleague, the hon. member for Comox-Alberni (Mr. Barnett), on another bill a few weeks ago should serve the house well in considering these matters in the future and should also serve the sponsors of such bills as this because even though they are private bills the companies established under such bills may have a great impact on the economy of Canada. As I have previously said, nowhere in this bill is there any intimation that the good of the country is being taken into consideration in the incorporation of this company.

The only thing this company is saying is that its purpose is to be able to enter into the field of life insurance successfully. It believes that its entry into the life insurance field will afford it greater opportunities to use the Canadian skills and initiative which have given it leadership in its existing fields of endeavour. In other words, the company simply hopes to use the abilities and techniques it has developed over the years to its advantage in the lucrative field of life insurance and the public good can come next, if it is considered at all.

I think that the sponsor of the bill should have considered this aspect and I also think that when this bill is considered in committee of the whole great attention should be given to finding out how the Canada Health and Accident Assurance Corporation will be able to serve the public welfare because this is the basis upon which we should decide to act in this matter.

Here is a company asking parliament to bestow upon it the right to make increasingly greater profits out of the activity of selling life insurance policies. I believe it is simply not good enough to say that the company has been so successful over the past few years, both in terms of increasing staff and increasing profits, that parliament on the basis of that success should give it an opportunity to make even greater profits. I believe we should look a little bit further into the matter.

As I said, this company is asking parliament to set aside consideration of public legislation to deal with its own private affairs. I submit that such matters should be dealt with in another way. We simply cannot continue to deal with these companies by rubberstamping a bill which is presented to us by a sponsor who reads a statement prepared by somebody else. I am not casting any reflections on the hon. member who sponsored this; I am speaking in general of such bills. The statement read by the hon. member for High Park in moving second reading of this bill is almost word for word a repetition of the statement made in the Senate. Maybe the sponsor of the bill will say that he read the statement made in the other place because he thought it was such an overpowering and overwhelming argument that he could not possibly improve it.

This may be true in this case but I have noticed that almost the identical procedure is followed with other private bills. Whatever is said in the Senate is repeated here by the sponsor of the bill. Who knows where the Senator got his information? Presumably he got it from some lawyer in an office in Toronto or Ottawa who is trying to engineer the incorporation of a company. This lawyer is only presenting the favourable aspects of the company. He gives this information to the Senator who reads it into the record of the Senate in substantiation of a bill which he has not really examined at all. In most cases the Senator is only repeating information prepared by a person who is seeking to have a company incorporated. I think this is a one-sided approach. This is what may have happened in this instance especially in view of the fact that the introductory remarks made by the hon member for High Park are almost identical, word for word and comma for comma, with those which were made in the Senate when this bill was considered there on January 23, if my memory serves me correctly.

Private Bills

• (6:20 p.m.)

This is not nearly good enough because it is just a continuation of the old insurance sales pitch. We all know that when an insurance agent comes to sell insurance, whether he works for Canada Health and Accident Assurance Corporation or any other company, he is only going to tell you what is good about the insurance. He is going to tell you how beneficial the insurance policy will be. He does not tell you about the bad parts. He does not tell you about the loopholes, nor does he explain the fine print. He explains how wonderful everything will be if you just buy his insurance policy. This is the sales pitch that is being used here. Someone comes forward and says how wonderful it will be if we just pass this bill. This is one side of the story.

I believe there devolves upon anyone who comes into parliament and advances a particular idea, especially an idea such as this which can have an influence upon millions of Canadians to the extent of millions of dollars, a duty to give us more than a simple recitation of an explanation developed in a lawyer's office. We have to go a little bit further in our examination of this matter. If this bill had not been brought before parliament we would have a different situation. If we could, as I submit we should, send petitions dealing with this particular class of business activity to a public employee who had been given some criteria and authority to issue letters patent for the incorporation of such companies, then I would say that would be a horse of a different colour. If parliament would set up general guideposts and rules and say to applicants, you must meet these standards before you can become incorporated and conduct this type of business in Canada, then we would be dealing with this matter in a different way.

However, that is not the situation. The situation is that the promoters of the Canada Health and Accident Assurance Corporation have selected the hon. member for High Park to advance their cause in this house. So far the only cause he has advanced in connection with the passage of this bill is an indication that its passage would be most helpful to the Canada Health and Accident Assurance Corporation. Nowhere has there been any indication that the passage of this measure would be helpful to the average Canadian citizen. Nowhere is there any indication that the passage of the bill will result in the introduction of any degree of competition, any element of desire on the part of the Canada Health and Accident Assurance Corporation to sell a better class of life insurance, to come up with new ideas or new types of coverage. Nowhere is there any indication that life insurance premiums will be decreased if this company happens to get into the business.

These questions are far too important to be passed over lightly simply because the hon. member who sponsors the bill happens to be a nice fellow. I think he is. I do not have any harsh words for him or his activities in the house. However, we are not legislating here for nice fellows, we are legislating for the Canadian people. Nice fellow as the hon. member for High Park is, I do not believe he is a shareholder in this company and I do not believe he is going to have anything to do with the operation of the company. We cannot, therefore, accept the "nice fellow" approach as being the one which should influence us. We have to look at the company itself. We have to ask ourselves, does it make sense that we should authorize this company to increase its capital from half a million dollars to $2 million? Is it for the good of the Canadian people that the capitalization of this company should be increased fourfold to permit it to engage in a type of insurance business in which it is not engaged at the moment?

Mr. Speaker: Order. I must interrupt the hon. member to inform him that his time has expired unless he has unanimous consent of the house to continue beyond his allotted time. Is it agreed?

Some hon. Members: No.

Mr. Speaker: I regret very much to say that I hear negative voices.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am not quite certain whether the hon. member for Skeena (Mr. Howard) really desired to extend his remarks beyond the time limit. In any event, I am sure he wants to give me an opportunity to say a few words on the question now before the house. I share the hon. member's personal regard for the genial member for High Park (Mr. Cameron) who is sponsoring this bill. In this connection I am reminded of one occasion when a member of the cabinet felt I had been a bit rough with him during a discussion in the house. He chided me about it after the sitting was over and I said, "Well, of course we all have to perform our parliamentary duties in this chamber as we see them." I am sure that so

far as the hon. member for Skeena and I are concerned we are taking this approach to the bill being sponsored by the hon. member for High Park.

Like the member for Skeena, I feel that the question of the advisability of approving the proposals contained in this bill has to be considered as a matter of public policy rather than one concerning only a particular private company. While I am quite aware of the fact that under the rules this period is set aside for bills sponsored by individual members, when I consider the public bills standing in the names of private members, many of which will probably not come up for consideration during this allotted period, I must say that I feel we could be occupying ourselves much more fruitfully than we are. So far as I am concerned, I would much prefer at this time to be considering a proposal which is not on the order paper but which the government in previous sessions has had on the order paper and which the Minister of Finance (Mr. Sharp) has stated the government intends to put on the order paper, namely, the bill to set up the Canada Development Corporation.

Mr. Speaker: Order, please. I hope the hon. member will address his remarks to the bill before the house and not to the proposed legislation to which he has just referred.

Mr. Barnett: That is my intention, Mr. Speaker. I made that remark because I believe this bill and the proposal I have just mentioned deal basically with the same area of public policy. I suggest this bill has to be considered in the light of public policy and in the light of the proposal that Canada Health and Accident Assurance Corporation be allowed to extend its activities into the field of life insurance. In view of these facts I believe we move at once into the whole question of considering by what channels the surplus capital of this company is going to be accumulated and through what channels and under what policies these public accumulations of capital are going to be expended. In brief, Mr. Speaker, that is why I said I would much prefer to be discussing another proposal. I think it has become apparent and should become increasingly apparent to all members of the house that the time is passing when we can any longer allow the main channels and direction of flow of investment funds in this country to rest in the hands of private insurance companies.

• (6:30 p.m.)

It is for this reason that I seriously raise the question of the advisability of allowing in the public interest Canada Health and Accident Assurance Company to expand at this point into the life insurance field. In my view far too much of the accumulations of capital at the present time are in the hands of a multiplicity, all too large in number, of private insurance companies. As I have suggested when considering other bills having to do with the expansion or incorporation of insurance companies, I believe that in allowing this process to continue and expand we are in fact moving in a direction which is against the public interest of the Canadian people.

With reference to this particular proposal I think the sponsor of the bill in his opening remarks advanced some sound reasons why it is not advisable that this company be allowed to add life insurance to its present services. He has indicated to the house that this company has been operating successfully, that at the present time it is carrying a very large section of the total insurance market in the particular fields in which it has been engaging in the past, and that it is a successful company which is operating a profitable business at the present time. For that reason, Mr. Speaker, if for no other, it seems to me that in the light of the existing multiplicity of life insurance companies it is perhaps a bit greedy on the part of this already profitable concern to seek to move into what in my view is a much overcrowded field.

In view of the fact that the bill as proposed indicates that the company intends to operate under its present name, except for the addition of the French language version which was so delicately enunciated by the sponsor in his inimical use of the other language, I think that the situation will be a little puzzling for some people. I have been wondering why the company, if it wishes to expand into this field, did not seek to change its name. Perhaps there may be some obstacles in this connection. If I am not mistaken I believe there is already in existence a Canada Life Assurance Company, and there may have been some question about the desirability of adding the word "Life" to the name. However, in a sense one could claim that because of the retention of the title "Canada Health and Accident Assurance Corporation", so far as the public are concerned, except those who may become aware of this bill through reading the debates of this house in

detail, the company is in effect moving into the life insurance field by the back door. I do not know whether that is the intention of the company but none the less, Mr. Speaker, I mention this to add further to my argument as to the desirability of parliament allowing the company to expand into this particular field.

I could go on to expand on the relationship between this company's proposal to enter into the life insurance field and the question of public policy in relation to the accumulation and direction of investment funds. However, in view of some of the proposals which I see are still on the order paper there may be further opportunities for me to make some observations along that line.

As I have said on other occasions, I feel that it is no longer good enough for the sponsors of such bills, as was the case recently and also today through the hon. member for High Park, simply to get up and give us a few facts—I accept that they are facts—about the past operation of a particular company, who its directors are to be and so on and so forth, without in any way attempting to justify to the house that it is in fact in the public interest that a proposal of this kind should be introduced.

[*Translation*]

Mr. C. A. Gauthier (Roberval): One word only, Mr. Speaker, first of all to congratulate the "Canada Health and Accident Assurance Corporation" for having, at long last, adopted a French name and fallen in tune with the others in acknowledgement of Canada's bilingualism from sea to sea.

Another reason brings me to my feet. The member who spoke before me said that the multiplicity of insurance companies was becoming a threat in the field of life insurance. We can, I believe, forgive him those words: he reasons like a socialist who would only have state insurance. But we, who stand for democratic principles, cannot admit that argument, because a multiplicity of insurance companies which have, like the one mentioned in this bill especially, the necessary capital to do well in business, plainly brings added assets to our Canadian economy. In a democratic economy, it is normal competition that adds to the standard of living and, especially, to the general credit of the country.

We have always been afraid of state insurance. I am afraid of any state control and I dread also state insurance formed especially to create a single capital in order to have more control on the people. I think this is the sole purpose of the one-way insurance, as can be seen in totalitarian countries. We begin with one-way insurance, and we end up with one-way representation, as can be seen in Russia. Only one candidate is presented: you can vote for or against him, but there is only one.

We are for the principle of free enterprise; we advocate free enterprise and we are happy tonight to support this bill. I will not talk out this bill, because I want it to be passed, so that this company can continue to operate for the best interest of the Canadian economy, competing loyally with other insurance companies regulated by the same legislation. Once again, I congratulate the directors of that company to have recognized the principle of bilingualism in Canada.

• (6:40 p.m.)

[*English*]

Mr. Ian Grant Wahn (St. Paul's): Mr. Speaker, I do not wish to prolong the debate on this bill but in fairness to the sponsor I should say a few words to answer the hon. member for Skeena (Mr. Howard) who said in effect that the explanatory statement was not sufficiently extensive. Surely it is important for explanatory statements to be accurate rather than unduly long. In this house and particularly during this hour we are often subjected to statements which are unnecessarily long. There is no merit in making extended statements, particularly when they are inaccurate.

The hon. member who introduced this bill made a brief statement. Sometimes it is more difficult to be brief and accurate than to be lengthy and inaccurate. The criticisms by the hon. member for Skeena in my view were uncalled for. The implication he sought to leave with the house was that the hon. member sponsoring the bill had not satisfied himself about certain particulars. I would ask the hon. member for Skeena whether he has independently investigated the matters he raised in order to justify such implications. They are not justified just because the introductory statement in the house was similar to the introductory statement in the other place. Most hon. members know the hon. member for High Park (Mr. Cameron) sufficiently well to have confidence that he has satisfied himself about the legitimacy of this company.

Another criticism was that the sponsor of the bill, in the opinion of some hon. members, was reading what had been prepared by someone in a lawyer's office. There is nothing wrong with being a lawyer. The question is not who prepared the statement but is the statement correct and has the sponsor of the bill satisfied himself of the accuracy of that statement? If so, there can be no possible objection to it.

It seems to me, Mr. Speaker, that the private members' hour should not be debased but should be reserved for private members' use.

Mr. Speaker: Order, please. I would invite the hon. member for St. Paul's to address himself to the bill before us. I do not know whether he is speaking on a point of order or a question of privilege. I think we might hasten the debate by not straying rather far afield from the subject. I would invite the hon. member to come to the substance of Bill S-13 which we should be considering.

Mr. Wahn: Thank you, Mr. Speaker. I would be delighted to do that.

Mr. Peters: He has not read the bill.

Mr. Wahn: The point I emphasize is that instead of criticizing this company for its success, as the hon. members for Skeena and Comox-Alberni (Mr. Barnett) have done, it would be much better, as the last speaker pointed out, to congratulate the company for its success. We should also congratulate the company for coming to parliament in order to adopt a French name. The company has been most successful in Quebec. In these circumstances it is natural that it wishes to have a French name. A large number of companies come to parliament to have their names changed. In this case the company ought to be congratulated and complimented for taking this step.

Comments have been made about the substantial increase in the company's authorized capital. Because of the long time it takes to get a private member's bill through the house it is important that a company initially should have substantial authorized capital rather than having to come back later to ask that the capital be increased. If arrangements can be made for bills that are of value to the economy and to Canada to pass through the house reasonably quickly, without unduly extended debate, then I am sure that companies such as this will be glad to come to the house more often to obtain smaller increases in their authorized capital.

Another purpose of the bill is to extend the business to be transacted by the company. Here again the company ought to be applauded for its initiative rather than criticized. It is true that in the past the company, as I assume from its name, has been in the health and accident insurance business. The life insurance business is different from the health and accident insurance business. Life insurance companies take deposits from the public. This is the important difference between life insurance and other insurance companies. It is therefore most important that the same principles should apply to life insurance companies that apply to other financial institutions such as banks.

I was delighted to learn from the introductory statement made by the sponsor of the bill that the shareholders and the directors of the company are Canadian and that the company will continue to be Canadian. It is easy for a company to have Canadian shareholders in its early stages. There is no guarantee that when such a company becomes larger and expands its business it will not be taken over by some foreign owned corporation. I was delighted to hear not only that the company is Canadian but that it intends to remain so. I hope this company shows the same initiative in expanding its life insurance business that it showed previously in expanding its health and accident insurance business. I particularly hope that the company gets into the field of the so-called variable annuity, that is to say, into the issuance of life insurance annuities with built-in protection against increases in the cost of living. With continuing inflation this has become most important and I think this company should take steps to include such insurance in its coverage.

• (6:50 p.m.)

I am sure we are all anxious that this bill should pass this evening so I shall not continue my remarks further but simply repeat that this company should be complimented and congratulated rather than criticized for its initiative in seeking these changes in its incorporating act.

Mr. Speaker: If the hon. member for High Park speaks now he will close the debate. The hon. member for Timiskaming.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not have any intention of speaking on this bill today but in this game of chess it appears to be inevitable that I should and I shall not disappoint anybody.

I was interested in the comments made this evening. They are not unlike comments which have been made in the past. In the case of the last speaker sour grapes are, of course, hard to take anyway. It would seem that this bill, like others of its kind, has been introduced in the normal way. The application has been prepared by a lawyer or agent and an hon. member is sponsoring the measure in this house in keeping with what the rules demand. There can be no resentment on this score about these things being done in the way they are, but it would appear to me that some other manner of presentation would be advantageous, one which would eliminate the responsibility an hon. member now has to take when proposing such measures to the house. We have set up a Department of Insurance and it seems inevitable that in the very near future this department should have power to make the changes which are being sought in a much more satisfactory way than we can hope to do as members of parliament.

The measure before us indicates that the company was set up under a bill passed by parliament in 1945 with a capitalization of $500,000. I agree with the sponsor that the company has done very well. It has been able to expand its business from the town of Waterloo across the province and into the province of Quebec as well. Thus the need for the change in name has arisen. According to the remarks of the sponsor the company appears capable of doing business without changing its name as a result of parliamentary action. It is not too difficult to pronounce the name in English. It is also true that a literal translation could be made which would serve all purposes except those involving legal documents which would have to correspond with the terms of the original act.

There seems little point in bringing a special bill before parliament. Consider the abuses which are possible as a result of this process. I am not suggesting that this is true of the particular company we are considering. But if this company were to come before parliament wishing to provide gangster accident insurance for members of the Mafia only, it would be easy for it to do so under the present system unless some hon. member took a special interest in the proceedings.

We are really not competent to go into the details of this bill. I am not familiar with the process by which sponsors are chosen. It could be by lot or by some other means. But it would seem to me that if a sponsor undertakes to sponsor a bill he must take responsibility for it. This raises in my mind the question of how far he should go.

Mr. Speaker: Order. I have to interrupt the hon. member to remind him that we have before us a specific bill dealing with a specific act. The tangent upon which he has embarked is procedural in nature. It certainly has nothing to do with the principle of the bill before us and I would invite the hon. member to return to the subject matter of the measure.

Mr. Peters: I agree entirely that what we are really talking about is the French version of the name of the company and, second, the increase in the capital stock.

Mr. Speaker: I did not suggest that to the hon. member. On second reading we are dealing with the principle of the bill, not with the details. It is the principle which is to be considered now.

Mr. Peters: Then it is a principle which covers the whole gamut of insurance because it relates to the three main branches of insurance, sickness, personal accident, and life insurance. In addition to the type of insurance it is providing the company we are considering now seeks to provide life insurance. I believe this raises the general question of insurance. I had not intended to go so far. I was trying to remain within the limits set by the sponsor himself when he drew attention to certain of the operations of this company and implied that this was a Canadian-owned company and that the members of the board of directors were Canadians. I need hardly say that being Canadian and being resident in Canada are not the same thing. There is also the fact that money does not appear to have any boundaries. I notice, Mr. Speaker, that it is seven o'clock.

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

• (7:00 p.m.)

HEALTH RESOURCES FUND

ASSISTANCE TO PROVINCES FOR HEALTH TRAINING AND RESEARCH FACILITIES

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved the second reading of Bill No. C-199, to provide for the

establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

He said: Mr. Speaker, for the benefit of hon. members I should like to deal with some of the details of the bill which incorporates the matters referred to in my statement of June 14 when I described the original proposals made last July by the Prime Minister (Mr. Pearson), and which were the subject of subsequent meetings with provincial ministers of health.

It will be recalled that I referred to certain conclusions which had been reached by the conference of ministers in regard to these matters, and I should like to assure the house that the government has been guided by these agreed conclusions in drafting the bill which is before us this evening. Under the bill a special account, to be known as the health resources fund, will be established in the consolidated revenue fund and a sum of $500 million will be credited to that account. It is provided that the payments may be made retroactively to January 1 of this year, and not later than the end of 1980, a 15 year period in all.

The $500 million figure was not an amount taken out of the hat. As I pointed out in my opening statement on June 14, departmental officers visited the provinces prior to the Prime Minister's announcement of the size of the fund, in an effort to ascertain approximate needs as foreseen by provincial governments. We all recognized that such estimates were approximate and subject to considerable refinement, but they gave us at least some clue as to foreseeable requirements.

It was never envisaged that the health resources fund would provide payment in full for the projects coming within the ambit of the bill. In fact when the conference of ministers discussed this aspect of the fund, it was recommended that the contribution of the federal government from the fund should not exceed 50 per cent of reasonable costs of any project. Thus, when we speak of projects to be established with the assistance of the fund, we are not speaking of projects totalling $500 million in cost but of projects of approximately $1,000 million.

While the federal moneys payable in accordance with the health resources fund bill will not exceed one half of the total cost, there is no requirement that the other half must be matched by a provincial government. In fact, health resources funds may be available for up to half the cost of a project, even if the provincial government itself makes no direct contribution. For example, if a private foundation were prepared to finance half the cost of an eligible project, health resources funds would still be available if the project otherwise qualified.

It will be noted that in order to have consideration given to a contribution from the fund, an application must be made to the Minister of National Health and Welfare by the government of a province. As members are aware, under our constitution health training facilities come within the jurisdiction of the provinces. Thus, despite the very substantial contributions which will be made by the federal government, it is considered essential to preserve provincial sovereignty in this area by giving consideration only to those projects put forward by and through provincial authorities. The federal government will not accept projects directly from any individual university, hospital, or establishment for the conducting of research in the health field.

The bill stipulates that no payment may be authorized to be made unless the province making the application has developed a provincial plan covering a five year period. This provision is to ensure that individual projects will not be haphazard but rather will fit into a planned, orderly provincial scheme. Not unnaturally, the bill also requires that the provincial government shall provide the minister with necessary information and make available records and other data concerning the cost of the facilities for which assistance is to be provided.

It will be noted that provision is also made in the bill for joint applications on a regional basis in connection with the Atlantic provinces. The concept of regionalization is particularly applicable where small provinces are concerned. It is reasonable to expect that in some instances, though certainly not in all instances, the provinces concerned may themselves decide to set up a single health training facility to meet the general needs of the region.

The four provinces specifically mentioned in this regard in the bill decided to proceed with such projects on this basis. It will be for these provinces to decide jointly the types of projects for which this regional approach will be used.

Health Resources Fund

The Atlantic provinces received particular attention from the conference of ministers because of the extraordinary needs of that region for health training facilities and the relative lack of fiscal capability to provide these facilities. It was unanimously agreed by the minister of health of all the provinces to recommend to the federal government that a sum of $25 million be set aside for the Atlantic provinces in connection with such projects. This is over and above what the Atlantic provinces are entitled to under the per capita formula.

With regard to the rest of the health resources fund it will be noted that more than half, that is, $300 million, will be allocated on a per capita basis to the provinces, while the remaining $175 million will be available in amounts which may be allocated from time to time by the Governor in Council.

The suggestion that this subdivision in the total remaining funds be made came from the conference of ministers of health. It was based on the belief that, while provincial governments clearly were in need of support for health training facilities within the borders of their own provinces, health training facilities, generally of a highly specialized nature, were also needed to serve purposes beyond the borders of a single province. But of greater importance was the consideration that unallocated funds would still be available when needs were more clearly defined for projects which might be developed later in the life of the fund.

Having regard to these considerations, the conference of ministers recommended that the bulk of the funds should be divided into two parts: first, on a per capita basis to meet purely provincial needs, and the second, to assist in meeting the costs of health training and research facilities designed to meet national needs.

I do not propose to go into extensive detail at this time concerning the method of actually calculating the costs of acquiring, constructing or renovating any building, except to point out the type of costs which will not be included. The health resources fund will not include the cost of land, any amount paid or payable as interest, or any amount paid or payable by the federal government under other arrangements.

It will also be noted that residential accommodation may not be supported out of the health resources fund. This also was a conclusion arrived at by the conference of health ministers, but I might mention that such accommodation may be supportable under other federal programs.

• (7:10 p.m.)

Because the health resources fund is, as described in the preamble, intended to assist provinces in the acquisition, construction and renovation of facilities, the question will inevitably arise as to the problem of operating costs. These costs are, of course, not included in this statute, which is designed solely for the purpose of providing capital funds. Nevertheless the government recognizes that the provision of buildings designed for certain purposes will not serve the ends for which the assistance was given unless it is possible to operate these facilities. The problem of such operational costs, however, is one which will of necessity require to be dealt with apart from the question of capital costs.

One of the problems inherent in the provision of operating funds in relation to teaching and educational establishments is the extent to which such funds are interrelated with those designed specifically for education in its broadest sense, including health. This area will still have to be examined by all governments, in collaboration with universities, with a view to reaching some workable solutions.

I believe it is particularly important to note one specific inclusion; the costs of basic equipment necessary for the operation of the health training facility. Obviously such equipment is an essential part of such a facility, without which it would not serve the purpose for which it was designed. Reliance will have to be placed, to a considerable extent, on professional opinion with regard to what, in fact, constitutes this basic equipment.

Reliance on professional opinion will, of course, also be necessary in determining whether the health training facility is of a type which meets the general definition set out in the act, having regard to the purposes of the fund.

Members will be interested to learn of the outstanding co-operation we have had already from the Association of Canadian Medical Colleges, which has given us the benefit of their wise counsel in our efforts to define such elusive facilities as "teaching hospitals", for example. It is my hope and anticipation that we shall be able to continue

to have the co-operation which we were so generously given in our early deliberations by such professional bodies as the Canadian Medical Association, the Canadian Nurses Association and the Canadian Hospital Association.

During the last number of weeks I have had a considerable number of requests from other professional associations, as well, all of which have expressed keen interest in participating in the work to be associated with the health resources fund, and requesting representation on the advisory committee, for which provision is also made in the act.

It will be noted that the act makes provision for a health resources advisory committee consisting of 11 members, one to be appointed by each of the provinces under the chairmanship of the deputy minister of national health. The composition of this advisory committee was discussed by the conference of ministers, which gave consideration to the possibility of including professional associations. However, the conference was of the opinion that the committee should be established as set out in the act. At the same time, it was recommended that it should be empowered, as it is so empowered, to establish special committees. These committees would undoubtedly include representatives of professional associations and specialists in relevant fields. The government accepted the recommendation of the conference of ministers in this regard.

Mr. Speaker, I have attempted to give a brief outline of the main points in the bill. It is not a long bill and is relatively simple. Of course, in the clause by clause discussion of the bill I will be pleased to deal with any specific matters that are raised by hon. members.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, we have listened with some interest to the minister's dissertation in respect of what this $500 million will cover and what it will do. Very briefly I should like to deal with three points. First of all, I should like to ask the minister whether it is proposed that the government, through the National Research Council, will take over all the research? I think this is very important. I feel the government should take over the whole fiscal control of national research. I do not see how the provinces adequately could undertake national research projects. They simply have not the funds.

I should like to go into this a little further and say that last year we spent about $9 million on research and covered only 65 per cent of our projects. Of the number of applicants who applied, 115 were turned down. This simply is not good enough. It seems pretty ridiculous that when the United States is spending $1 billion on research we are spending just under $10 million. How can we expect to halt the brain drain that is going on.

In the last report made by the late Dr. Farquharson in 1964 he said that research was woefully weak and falling behind all the time both in buildings and equipment. One of the last appeals he made was that this should be stepped up in an effort to stop the brain drain to the United States. I also should like to state that if we operated on the same basis as the United States, we would have to spend ten times as much, or $100 million. I realize, as does everybody now, that you cannot do this overnight; this is a continuous building-up process which must be programmed. However, until today we have dragged our feet. We are very short on medical personnel; we are short on teachers; we are short on medical schools and we are away down on our research.

Each year during the last five years we have been losing well over 500 doctors a year. When we can spend $10 million for the National Film Board, it seems a bit ridiculous that we cannot spend more than $10 million on research. This simply has to be stepped up. There is no point in building up a health resources fund unless you do this, because you will not get anywhere without research. You will not get competent teachers or staff all the way down.

I should like for a minute to dwell on what the minister had to say about this $500 million over 15 years. I do not know the situation in all the provinces, but I imagine they have similar problems. As I understand it, in the province of Ontario the committee is going to spend $300 million in the next six years and over a 10 year period $500 million. Here, Mr. Minister, you are bringing in a health resources fund in an amount of only $500 million. The provincial government is putting that amount into buildings alone, over ten years. I am not talking about personnel. This is the reason I think the government is away down in its approach to this problem. I do not think you will cover 40 per cent of what is required. This does not include teaching personnel in Ontario but only to plans for the construction of buildings. The minister said nothing whatever about replacement and

the putting in of equipment which today is mighty important.

• (7:20 p.m.)

This is a very serious drawback in view of the development of heart-lung machines, kidney machines, pacemakers and artificial hearts over the last 10 years—and this is only the start. This type of equipment is being developed and improved every day and it is very expensive. If we are not going to make provisions for the purchase and use of these developments, if we are not going to provide money for research and for training doctors then we are not going to be successful in this program. It is doomed to failure and will destroy the esprit de corps of the medical profession.

In relation to the lack of personnel in the medical field, let me point out that four of our major Canadian medical schools are looking seriously at the shortages in their teachers and in funds for equipment for student training. This is facing them now. The situation is becoming serious. Every province must have similar plans in so far as construction of hospital facilities is concerned. The province of Ontario estimates that it will spend $500 million in the next ten year period by way of capital construction costs—as much as the federal government pumps in 15 years.

The minister said that if private individuals decided to invest in the construction of medical facilities the government would go along on a 50-50 basis. I hope the minister is not suggesting that programs of this type will be taken out of provincial control. If the provinces have not as yet gone along with that idea, how is the federal government going to do so? I hope that he will give us some indication as to how he plans to accomplish his ideas when he speaks again.

The minister made a serious error of judgment in referring to medicare plans. He suggested that a medicare plan would be brought into existence next year, but how can he when he has made little or no plans to alleviate the critical shortage of doctors. Does the minister not think he is cheating the people by promising a medical program which cannot be effective because of the lack of services available, particularly when he considers that premiums will be deducted, and taxes will be collected? I remember other occasions when the public was filched because someone else rushed ahead with plans that could not be put into effect. I am not suggesting the government is going ahead too fast with a medical services program, but it should have before this time instituted a crash program in our medical schools in order to train the necessary personnel.

I can never understand why in the world our medical schools are closed during the summer when we are so short of doctors. That was not the case during the war, when we were much better off as far as medical personnel were concerned. We have not graduated many doctors per year more than we did following the war years, in spite of the fact that our population has increased by 25 per cent in the same 10 years. Does the minister not think that a crash training program is vital to the success of any national medical services plan? I hope he will discuss this serious situation with the provincial ministers of health in order to find some solution. We have the facilities and the teachers and I think we should go along with the suggestion that medical schools be kept open all year. We certainly will not have enough doctors to carry out this program unless we bring them from England or Europe. I understand that will be difficult because in at least some hospitals in England the staffs have come from outside England.

In conclusion let me say I will discuss some situations at a later stage because I think it is vital that we find solutions to these problems which are inherent in such a national medical plan.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the health resources fund legislation is, in the opinion of the members of this party, of tremendous importance. I do not think its importance has been fully appreciated by the house, if one can judge by the interest that was taken in the debate on the resolution which preceded this bill. Nor do I think its importance has been fully realized by the government, if one can judge by the length of time it has taken to bring down the legislation or by the amount of money which is being provided by it. I do not like to use an old hackneyed phrase, but the fact is the legislation has been brought down too late and the amount of money provided is too little.

The importance of this legislation lies in the fact that this is the basis upon which a successful medicare program can be built. I am not one who thinks that we must wait until every facility is available and all the technicians and professional people have been trained before adopting a medicare plan. The fact does remain, however, that medicare in

this country will place a tremendous strain upon our facilities and available personnel.

I had some experience in setting up the first hospital insurance plan in Canada—as a matter of fact, the first on this continent —which came into effect in the province of Saskatchewan on January 1, 1947. For two and a half years we had a crash program for the construction of hospitals. When we could not construct new hospitals we converted old airport and army buildings into temporary hospitals. We also had a crash program for training nurses, x-ray and laboratory technicians, because it was quite apparent that the moment hospital insurance came into effect the number who would apply for hospital care would increase. It was also apparent that once hospital insurance became effective the number of people sent to hospitals by physicians would increase, and that unless we were prepared to handle this increase, which we estimated at 25 per cent, congestion in hospitals would develop.

All these statistics in respect of hospital admissions which had been projected turned out to be reasonably accurate. We estimated that the increase would amount to approximately 26 per cent and my recollection is that in two years it was actually 26½ per cent. We estimated that this increase would level off and gradually decline as we caught up with the backlog, and as better pre-operational care was provided, cutting down the length of hospital stay. These projections also proved to be accurate.

We had to make sure that when health insurance in any form came into effect facilities and personnel were available. I remember discussing this matter with Mr. Aneurin Bevan, who established the British health services plan. He told me that they had the same experience, that one could expect in the initial stages a marked increase in demand for services, and that unless we were ready to provide these services we would experience great congestion. There is bound to be some congestion with the very best of medical plans in the initial stages, but that congestion can be ameliorated somewhat by a crash program to provide facilities and trained personnel.

• (7:30 p.m.)

To my mind the tremendous importance of the legislation which is now before the house lies in the fact that the effectiveness of medicare will largely depend upon the legislation which I hope the house will pass very shortly. It will also depend upon the aggressiveness with which the federal Minister of National Health and Welfare (Mr. MacEachen) and the provincial ministers of health make use of the funds provided, so that when medicare is implemented in Canada the people who expect to get those services will be able to avail themselves of them. Nothing would give medicare a greater black eye than for us after July 1, 1967, to say that medical services of all types were available to the people of any given province, and then for those individuals who required medical care to find there were no adequate facilities or sufficient personnel to give them the care to which by law they were entitled, and to which they had contributed financially. Therefore it is of tremendous importance that this program to increase facilities and training and to make available personnel be pushed forward with all possible speed. That is why I said that I think the legislation has been much too late in coming.

It is now two years since the publication of the Hall Commission report. That commission recommended that within six months of receiving the report the government should convene a federal provincial conference and immediately begin to plan the expansion of health facilities and the training of health personnel so that when medicare became a fact it would be an effective program which would make available to the people of this country the services which they were led to expect. I can see no reason why this legislation which is before us now could not have been here a year ago. It is inconceivable to me that one year has not been sufficient for the government to digest this report, to consult with the provinces and to place before the house legislation of the nature which is before us at this time. Instead of that, two years have gone by. If the government keeps its commitment of setting up medicare in Canada by July 1, 1967, the provinces will be left with not more than 12 months to get ready for one of the greatest health experiments ever attempted on the North American continent. As a matter of fact, in some cases the provinces may still have to wait for their provincial legislatures to meet this fall and give them the necessary authorization and financial resources to co-operate in this program.

I am concerned about how the provinces will be able in 12 months to do the job that has to be done. It may be that some of the provinces have anticipated this situation and

have already outlined plans and begun programs. I certainly hope they have, because under no circumstances do I want to see any delay in implementing medicare. I want to see it start on July 1, 1967. I can think of no finer centennial project for Canada than that on the anniversary of our 100th birthday we will make medical services available to every citizen of Canada, irrespective of who he is and irrespective of his financial ability to pay. But it will not be easy to do it when the provinces and the various educational institutions have such a short time to meet the heavy demands which will be laid upon them.

I will not belabour the point; it is not much use crying over spilled milk. But I do want to say to the government that I fear the 12 months delay may be very costly, and the congestion which may take place in some provinces when medicare is first set up will be due in no small measure to the fact that this legislation was so late in coming before parliament.

Not only do I think it is late in getting here, but I must say to the minister that I think the amount of money provided is pitifully inadequate.

I know that $500 million sounds like a very large sum of money, but spread over 15 years it comes to an average of some $33 million a year and in my opinion this sum will not begin to carry out the program which was suggested by the Hall Commission. As a matter of fact, on the basis of the information the minister has just given us, that $175 million will be set aside to be spent as the governor in council decides, and $25 million will be set aside for the Atlantic provinces —with which I thoroughly agree—this leaves some $300 million to be spent on the regular run-of-the-mill program which, if you spread it over 15 years, comes to about $20 million a year.

Now let us look at what has to be done. I just want to mention a few of the things which the Hall Commission pointed out will be absolutely imperative if we are to provide the Canadian people with the services they are entitled to expect, once medicare becomes a fact in Canada. First of all they point out that we will need a program to build six new university medical schools as well as expanding the existing medical schools. They point out that by 1971 we will require an additional 7,100 trained doctors. This will necessitate a tremendous program of training, and the construction of six new university medical schools and the expansion of existing ones will require very large sums of money.

Nothing in the educational field today is as costly as the building of medical schools, because of the equipment and the highly technical apparatus now required in medical schools. The expense is fantastic, and there is no use training doctors unless we are going to give them the very best kind of medical training available, not only because they need it but also because the Canadian people deserve it.

The report of the Hall Commission says that we will also have to build four dental schools and that by 1971 we will have to add 2,130 newly trained dentists to those who are now practising that profession in Canada. Probably one of the biggest tasks will be the job of building 10 new university nursing schools to train the 42,000 additional nurses who will be needed by 1971 if this program is going to provide the services which the Canadian people will expect from it.

• (7:40 p.m.)

Now, in addition to the medical schools, dental schools and university nursing schools, there are suggestions for local services which will be required, particularly in the rural areas. Suggestions have been made for medicine depots, nursing stations and, very important in a large country like Canada with a sparse population, an air ambulance service. I am sure the minister will agree with the position taken by the Hall Commission, that people in the isolated areas and in rural districts of Canada have a right to expect the same high standard of medical care as will be enjoyed by people in the metropolitan areas. They cannot get that unless there are facilities, first of all, to provide them with emergency care by local medical depots and nursing stations, and then an air ambulance to take them to the large medical centres where they may get the very best of medical and surgical care available.

After all, it is not possible to have a highly trained doctor or group of doctors and surgeons in every community. However, the very least we can do is see that people in isolated communities can be flown quickly and inexpensively to a place where there is a team of medical experts to provide them with the very best surgical and medical care. This is going to cost money, and it is going to cost a great deal of money. I do not believe this $20 million a year will cover the cost.

Then, there is the whole question of allied health services which will have to be provided under medicare and for which we have nothing like a sufficient number of trained personnel. I am referring to x-ray technicians, lab technicians, physiotherapists and all the allied technicians that have now become an integral part of the practice of good medicine. Finally, as has been mentioned by the hon. member for Simcoe East (Mr. Rynard), the fundamental stimulant for any good medical program is medical research. This country must be prepared to spend very large sums of money, first in building medical research facilities and then in the actual research itself.

When the members of this party speak of medicare, Mr. Speaker, we are not just concerned with transferring the payments from the patient to a government agency. That is only a part of the value of medicare. The other great value of medicare is that it can make possible a much better quality of medical care; it can provide opportunities for group practice. It can provide opportunities for doctors to take refresher courses. It can provide opportunities for research and the transmission of the results of that research to the practising professions. If medicare is going to be what we hope it will be, and give to the people of Canada the health services they need, without any financial obstacle standing between them and the members of the health profession, then it will also have to be a program which will give the people the very best kind of health services.

My conviction is that when medicare becomes fully operative in this country it will finally reach the stage where the major emphasis will be on the practice of preventive medicine. The real aim of a medical care program is not just to get people well after they are sick, but to keep them from getting sick by developing clinics, group practice and by establishing a close relationship between patients and doctors. When this condition prevails, the average family can go regularly to the family physician and, if they require it, be referred to specialists to help them keep in good health. This procedure makes possible the diagnosis and early identification of diseases that could later prove serious or even fatal.

I just cannot believe, Mr. Speaker, that the sums of money the minister has been talking about this evening will be anywhere nearly adequate to carry out the vast program that needs to be undertaken. I hope the minister will tell us, either when he concludes this debate or in the committee of the whole, whether these sums of money are to be paid out to the provinces on an annual basis, provided they qualify for them, or whether the federal government will match the projects completed in the provinces on a 50-50 basis, without any regard to the annual allocations. If the $300 million is to be held down to $20 million a year, and if the $175 million which is set aside for special projects is to be allocated on an annual basis, then I suggest to the minister that in my opinion the goals that have been set by the Hall Commission as to the number of doctors, dentists, nurses and allied health services personnel which will be required by 1971 will not be reached.

I hope the minister will say to the universities, medical schools, dental schools and nursing schools, "This is the goal we have for 1971 and you can proceed as fast as you want. If you complete it in two or three years, if you complete it before 1971, we will meet half the costs on the basis of the terms laid down in this legislation." The worst thing that could happen would be for the government each year to dole out this money in annual allocations, and then tell a province or university that has started out with great enthusiasm, "We are very sorry, but we have used up the allocation for this year; you will have to be paid out of next year's allocation."

• (7:50 p.m.)

That would slow down the whole program. As a matter of fact, this $500 million can, in my opinion, be spent over the next five or seven years—never mind 15 years. As a matter of fact, it will have to be spent over a much shorter period than 15 years if it is going to do the job which has to be done. Otherwise we will have a medicare program which will be hampered and hamstrung from the very beginning, owing to a lack of facilities and personnel.

I want to express my complete support for the position taken by the hon. member for Simcoe East (Mr. Rynard), who said that what the situation calls for is a crash program. I think that not only the federal government but the provincial governments will have to show the kind of imagination and drive that characterizes a real emergency. If we must have, as the Hall Commission suggests, 7,100 more doctors trained in the next five years, then we may have to change the techniques and make it possible for medical schools to operate 11 months in the year. We

may have to pay bursaries to medical students, and make provision for students allowances. Instead of having to go out and work in the summer months this might enable the students to study throughout the entire year.

We did this sort of thing during the war. We trained doctors because they were needed for the armed services. Many of those doctors are still practising today. I think it would be a brave and somewhat imprudent individual who would suggest that they were not well trained, merely because the courses they undertook were crash courses. We trained many fine doctors, dentists and psychiatrists as a result of those programs which were instituted during the war.

Mr. Speaker, we are just not going to get the doctors, dentists, trained nurses, x-ray and laboratory technicians and the physiotherapists we need if we simply follow the same routine course. We must make it possible for bright and promising young people to leave behind them the normal channels of university entrance, attending university for six or seven months and then working for four months or so, and we must enable them to go into crash courses, with the federal and provincial governments paying their funds and providing their training, as well as giving them a decent living while they take their courses, so that they will be trained as quickly as possible.

I am sure that if we put that kind of challenge to the young people of this country we will get a response. There are thousands of young people in Canada who would like to go into the health profession. In many cases they lack the opportunity and they lack the necessary funds. Everyone knows that one of the most expensive university courses is a medical course. This makes it difficult for all kinds of young people who come from families of modest means to become doctors, dentists or psychiatrists. But if the federal and provincial governments are prepared to embark upon a crash program, the necessary personnel would be available when medicare comes into operation. They will certainly be available when the flood tide has reached its crest. If we start medicare on July 1, 1967 it will reach its crest in 1968 and 1969, the period when there will be the greatest demand. By 1971 it should be starting to level off a bit.

I hope that the minister will not consider that I am harping on some of the defects which I think exist in the government's program. I think that the minister deserves a good deal of commendation for the persistence and aggressiveness he has shown in pursuing this matter since he assumed the portfolio of National Health and Welfare. I can assure him that we in this party are thoroughly behind him as he presses on with this matter.

Let me also tell him that in our opinion he ought not to be dissuaded from proceeding with medicare on July 1, 1967 because of the problems that will undoubtedly face both him and the provincial governments with reference to provision of facilities and personnel. I am sorry that we did not start making plans sooner; but the fact that we did not start sooner ought not to be made an excuse for delaying the implementation of medicare.

I am sure that all of us have had the experience that, once we have started a program, the pressure of events compels us to move at an accelerated rate to do what has to be done. If we wait until we are absolutely sure that everything is ready before we launch medicare, then we will never start it. Therefore I urge the minister not to delay the setting up of a medicare scheme because of the difficulty of supplying the required facilities and personnel.

Nevertheless, Mr. Speaker, I would point out to him that the best way to make medicare work and the best way to save both himself and the provincial ministers of health a lot of headaches is to make sure that crash programs are devised within the next few weeks, that they are put into operation this fall, and that the money which is being made available by this legislation will be given to the provinces, not on an annual allocation basis at all, but made available to the provinces just as fast as they are able to complete the projects they want to undertake.

I feel sure, Mr. Speaker, that if that course is followed, and if the government is prepared to set up crash training programs, then the minister will get the support of the people of the country, the support of the young people who want to train for the health professions, and I think he will get the support of most of the ministers of health. If he gets that support and if he implements a medicare plan, I am convinced he will be taking one of the great forward steps in the social history of Canada. The minister will have won for himself a place of distinction in the country by having helped to launch a program that will be of inestimable value, not only to the people of our day and generation but to Canadians for all time to come.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to say only a few words at this stage of the debate. It seems this is the only time when it will be possible for me to refer to one of the clauses in the bill which takes into account certain provisions in two other clauses of the bill. I am sure Your Honour will realize that after we move into committee stage we will be more or less confined to each clause as it comes up.

I should like to say, however, Mr. Speaker, that we in this party do not believe that the only reason for setting up a health resources fund is to make sure that a national medicare plan is successfully implemented. I say that, Mr. Speaker, because I believe there is an acute, almost critical shortage of trained personnel in most of the health services, and these additions to staff and to the professional groups particularly are required, whether or not we have a national medicare plan on July 1, 1967, or some time later.

• (8:00 p.m.)

While I agree with many of the arguments advanced by the hon. member for Burnaby-Coquitlam (Mr. Douglas), I cannot accept the suggestion that this bill is predicated upon our being prepared for medicare by July 1, 1967. Unless the government has changed some of the requirements advanced several months ago about certain plans that the provinces already had begun, with respect to medical services, I do not think there is any reasonable possibility that a national medical care plan will be operative in all provinces of Canada.

First, some provinces do not now have any type of medical care plan. Second, those provinces administering such plans which they think are reasonably good are not disposed to making adjustments to their medicare plans to meet the conditions laid down by the federal government. I think, when we realize that medical services are almost exclusively within provincial jurisdiction under our constitution, the opinions and decisions of at least three provinces should be given careful consideration. That would apply in connection with this measure. The federal government should be ready to negotiate with those provinces, in order to bring their thinking into line with that of the majority of provinces.

It would be unfair for the federal government in an effort to have the plan universal and compulsory to insist on some conditions, thereby forcing the provinces to make adjustments they did not believe were in their best interests.

My main purpose in participating in the debate at this stage is because clause 7 of the bill before us says:

> No payment shall be authorized by the Minister pursuant to section 4 or 5 unless the government of the province making the application has
>
> (a) submitted to the minister, and the advisory committee has approved, a program for the development of health training facilities in that province—

And so on.

I should like the minister to explain in greater detail, if he will, at the conclusion of this part of the debate exactly what is meant by those words. Otherwise we shall have difficulty when we get to the committee stage, as we shall be going through one clause at a time; and as clause 7 of the bill refers directly to sections 4 and 5, it seems appropriate for the minister to give this part of the bill—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but I wonder if there is much wisdom in the suggestion he is now making. I take the liberty of reminding him that at this stage we should be considering only the principle of the bill, and I am afraid it would be out of order to discuss the individual clauses of the bill.

Mr. Olson: Mr. Speaker, when I rose to take part in this debate I tried to express to Mr. Deputy Speaker, who was in the chair at that time, that it would be difficult for me to raise this matter respecting clause 7 when we were considering clauses 4 and 5, because clause 7 would not be before us. Yet, clause 7 directly refers to the provisions of "section 4 or 5". That is why I wanted to bring up this matter now. I was apprehensive as to whether Your Honour would allow me to talk about clause 7 when we had reached, say, clause 4 in the committee stage.

Perhaps without referring directly to the clause I could explain to the minister that I am concerned about that part of the principle of the bill which would categorically forbid the minister and the advisory committee to advance funds for any program, unless beforehand the plans for such program had been presented to the minister and to the advisory committee. The reason I raise my point is that a number of provinces have programs for the extension of medical schools and other facilities already under way.

It seems to me that if that part of the bill to which I have referred stands as it is, it would prevent the federal government's participation in the expansion of building programs and other facilities included in existing programs. That would be so because the province had not submitted its plan to the minister and to the advisory committee before that plan was begun.

If you go on reading, the bill says:

—in respect of which a contribution is requested is included in that program;

The hon. member for Simcoe East (Mr. Rynard) and the hon. member for Burnaby-Coquitlam (Mr. Douglas) have advanced persuasive arguments that there is need for an immediate expansion in facilities to train the personnel we need. I think one of the easiest and most economical ways of meeting this immediate need would be for some of the provinces to expand programs already under way, in order to accommodate additional students. This would give the needed results perhaps most economically.

Yet I am apprehensive about the wording of the bill, when it says that the minister or the advisory committee would be prevented from entertaining the consideration of making contributions to programs that were already under way, because the bill says that approval must be obtained prior to the program's getting under way.

Many provinces may have recognized the need to build new facilities that were beyond their financial resources. Now, with the federal government coming along with a program that will provide in aggregate some 500 million over the next 15 years, the provinces would be willing to extend the sizes of buildings, whether or not the facilities were included in the program already under way.

• (8:10 p.m.)

Perhaps the minister will give us an assurance that the buildings and other facilities which will need to be constructed need not be confined to completely new proposals in order to qualify.

I am a little concerned about what is meant by a "crash program". It seems to me pressure on the construction industry in Canada is such that any crash program for the building of medical training schools and so on would not give us the best return for the money invested. In Alberta recently we have seen bids for the construction of schools not altogether dissimilar from those which would need to be built under this program—bids which are as much as 30 per cent above the estimate of the architects. So as far as building is concerned, a crash program would probably aggravate the situation still further; we must have regard for the value we are likely to receive in return for our investment.

I agree with previous speakers that if the government intends to pay out the $300 millions on an annual basis of $20 millions each year, it is proceeding along the wrong lines. No doubt some provinces will wish to undertake the building of a medical school or training college the cost of which would account for their entire share of the fund. Some arrangement should be made under which provinces which have programs under way could complete them without having to wait for one-fifteenth of their share each year over the entire period. I have in mind particularly the proposal for a new medical training school at the university in Calgary. It would be wrong, I think, to hold back completion of this project until 1980. This may be done through arrangements which differ from those set out in the bill now before us. But I want to suggest that one province could perhaps receive a larger proportion of the fund each year by agreement between the federal minister of health and the other provinces as to which of the new facilities would receive priority. Each province could wait its turn and all the projects could be completed during the 15-year period. I do not think the provinces should proceed only to the extent of a certain percentage of the total each year.

I trust my remarks have not been out of order in this attempt to get an explanation of how these three related clauses will operate. I trust the minister can give us some explanation of what is meant by the provisions of clause 7 in order that we may have this information before we pass clauses 4 and 5 in committee.

Mr. Joseph Macaluso (Hamilton West): At the outset I should like to congratulate the Minister of National Health and Welfare upon the introduction of this measure. It may be said that it is easy for a supporter of the government to do this; but, as the hon. member for Burnaby-Coquitlam (Mr. Douglas) stated, the minister is to be commended for his persistence in adhering to the date set for the medicare program and for the establishment of a health resources fund to assist the universities and the hospitals to train staff for medicare and for general purposes

throughout the country. I compliment him and I hope the members will agree to pass the bill after scrutinizing it. I have some questions to ask about it myself and I intend to raise them when we come to the clause by clause study of the measure.

May I refer to the brief called Medical Research in Canada—An Analysis of Immediate and Future Needs, which was presented to the government back in January. This is a comprehensive presentation drawing attention to the problems we face today in this field. Incidentally, I am happy to see among the endorsers of this report three eminent doctors, all of McMaster University in Hamilton—J. R. Evans, Principal, College of Health Sciences; W. B. Spaulding, Associate Dean, Faculty of Medicine; and W. J. Walsh, Assistant Dean, Faculty of Medicine.

It is not possible to separate medical research from the university training of scientists, doctors and medical teachers. The message of this brief is clear and simple: Unless support for medical research is increased beyond the level we now envisage, Canadian medical schools will deteriorate and so will the quality of health care provided to the Canadian people.

Not only has the quality of medical care and research work failed to keep pace with that of other highly developed countries but we are also falling behind on a quantitative basis. Today in Canada we have one doctor for every 870 citizens. Twenty countries in the world have a better ratio than this. In order to maintain our present ratio we have to register 1,300 new doctors every year. Our Canadian medical university schools turn out only 850 annually and we are holding our own by bringing in doctors from other countries at the rate of 450 a year, as the report states.

I realize the minister is not dealing with operational costs at the present time. However, the report says that federal government grants for operating expenses of medical research must reach a minimum of $80 millions annually by 1970. The present annual figure is $15 millions. The comparable figure in the United States is $1.3 billions a year. This illustrates how far behind we have fallen in medical research in this country. It will readily be understood why we are losing some of our best medical scientists to the United States. Indeed, this is one of our principal problems.

I agree with many hon. members that federal assistance in this field is of national importance. This question of medical standards has to be considered nationally; unless this is done we shall fall still further behind. I believe the establishment of a health resources fund is one step toward improving a situation which has been allowed to deteriorate.

• (8:20 p.m.)

Unless we are able to provide sufficient funds we shall not be able to catch up at the pace we would like, and will continue to fall behind. I must agree with other hon. members that the $500 million is not going to be sufficient, especially since only $300 million will be distributed for construction grants and capital grants to universities over a 15 year period.

We lag in scientific research in all fields. I believe, as these doctors say in their brief, that we must give priority to medical research on the grounds that the nation's health is at stake and the demands of the medical profession simply cannot be met at the present scale of our medical research. In their brief the doctors estimate that as many as one third of our Canadian medical schools do not meet U.S. standards. The summary of their brief states this:

> Medical research is essential to the provision of high standards of medical education, health services and health care. This fact must be recognized in any programs aimed at broadening health services and raising health care standards in Canada.

We learn from this brief that it takes eight to ten years to plan, build and recruit staff for a new medical school, and a further eight to ten years for its graduates to become trained teacher-scientists to staff other new schools. It also states that this has serious implications for possible future emigration of physicians from Canada to the United States.

At present in the city of Hamilton, McMaster University, after some local problems of land acquisition have been settled, is planning to proceed with a modern complex costing $100 million, to be built by 1980, with the $40 million core of the project to be commenced almost immediately, containing a 400 bed hospital, research units and facilities for allied sciences, all forming part of the modern concept of a research centre and training hospital.

McMaster University is today leading in medical isotope research, with the aid of the nuclear reactor it has on campus, and the provincial government has approved this new $100 million complex. It is a vital necessity, and the Hall commission report has referred

to it. In fact the description "crash" could be applied to the project itself. What can we do with $300 million when it is realized that here is one new medical research complex that is going to cost $100 million, and this without the acquisition of land required for future expansion?

When a medical school is being constructed and land has to be acquired for that purpose, why should not the cost of that land be included in the over-all cost of construction? Where a university has sufficient land on campus to satisfy its needs, then that is a different matter, but in this instance McMaster University has to acquire land, and that should be taken into consideration. I would ask the minister to consider this matter.

I realize that the provinces have to be consulted, but again I repeat that land acquisition costs should be included in the over-all cost. Under this bill we are simply talking about capital construction costs. There still remain to be provided laboratories and their equipment and facilities. The sum of $300 million is not going to be sufficient, especially when one considers the present crash program being undertaken with respect to medical schools by the province of Ontario. We have a need for money to provide scientists, medical teachers, doctors and physicians to meet the requirements of our expanding population.

But the over-all situation augurs well, and I compliment the government and the minister upon introducing this legislation. It is a first step, and once the plan is approved the government should consult with provincial health ministers with a view to increasing the amount of money in the fund to take care of crash programs, such as the one I have mentioned in connection with McMaster University.

I use McMaster as an example, not because it is situated in Hamilton or because it is expanding its present medical facilities, as is the case with the University of Western Ontario and McGill. This is a case where a completely new complex is being constructed, and when it is completed Ontario will have one of the finest medical complexes on the North American continent.

Unless the federal government is prepared to contribute immediately sufficient funds for this complex the full burden is going to be placed on the provincial government. Providing 50 per cent of the capital cost is quite a contribution, but $300 million is not going to be sufficient to provide the medical research facilities which are required, particularly if one takes into consideration the brief which has been presented to the government.

I do not intend to speak at length about this new complex at McMaster University, but I should point out that it will include not only the 400 bed hospital but also provision for allied sciences, such as a department of life sciences, a department of psychology, a department of rehabilitation, a diagnostic and treatment centre for out-patients, a school of dentistry, and a family practice centre to be added in the future, something of an innovation in Canada whereby doctors will be allowed to have their offices on campus and have the various laboratories and research facilities available to them.

In the modern concept of medical education there should be an integrated campus covering all the allied sciences such as biochemistry and full laboratory facilities to cover everything else, as well as a nursing school and all other facilities. Mr. Speaker, I keep emphasizing the need for sufficient money to build modern medical complexes. Today we have a serious shortage of medical scientists and teachers in Canada. The government is to be commended on the fact that over a year and a half ago it made a substantial grant to the University of British Columbia for medical research facilities. But that was only a start; we have to move ahead. I agree with other hon. members on the need for a crash program.

Although provinces have jurisdiction over education in medical schools, I personally would have liked to see provision in this bill whereby moneys could be payable directly to a university, once the province has approved the complex that is to be constructed. However, since that is not the case I think it should be made clear that capital cost grants alone are not the answer. Operating costs are very important. Over a long term they become more substantial than the capital costs.

• (8:30 p.m.)

So although, as the minister stated, he is not dealing with that at this time, I do sincerely wish to bring to his attention again that the cost of the land is a factor when a university or a hospital has to acquire land to build, which is the case I understand in connection with this medical complex at McMaster University. Our universities and hospitals have a major part to play in the

planning and development of medical research in Canada. As we move along in this field I think we must look even more closely at what financial aid the federal government is going to undertake in respect of medical schools and medical research facilities, because the important thing is the federal government still is the prime mover with regard to a national medical standard. Unless the federal government takes on this burden then we are going to fall back further and further. We cannot allow that to happen, and I do not think it will happen. I believe the government has taken the right step.

The hon. member for Burnaby-Coquitlam (Mr. Douglas) stated it is a year too late. However, I am sure that as a former provincial premier he realizes the number of discussions which have taken place on the matter of federal-provincial co-operation. That, however, is a minor matter. The provinces do have responsibility, but I submit that the federal government has a great responsibility in the matter of national medical standards. I sincerely hope that once approved by this house the plan will move forward to fruition and the government will see its way clear to supplement this $300 million in order to allow a university such as McMaster, which is building a new medical complex, to move ahead as fast as possible, so that it will not be delayed through lack of funds from either the federal or provincial government.

Hon. George Hees (Northumberland): Mr. Speaker, I rise to support this measure which will provide $500 million for the establishment of a health resources fund to assist the provinces in the acquisition, construction and renovation of health training facilities and research institutions. I think this is a good measure. I feel sure it will receive the support of the house, because we in Canada badly need the greatly increased facilities which will be provided by the use of this money, in the training of more doctors, dentists, nurses, and technicians. This will make possible the operation of the greatly expanded health insurance programs which will be coming into existence here in Canada in the months and years ahead.

The only fault which I can find with this measure is that I believe the $500 million which will be provided over the next 15 years is going to turn out to be completely inadequate. Over a 15 year period this averages out to a yearly expenditure of only $33 million a year. As the hon. member for Simcoe East (Mr. Rynard) pointed out when he spoke on this measure when it was first introduced, last year nearly 800 doctors left Canada for the United States. These are doctors which this country urgently needs.

If we are going to provide by 1971 the more than 7,000 additional doctors, over and above those we have been regularly training year by year in the past, to make it possible for these health insurance programs to operate successfully, we cannot allow anything like 800 doctors a year to leave this country; they must remain here to take part in our giant program which, as the hon. member for Burnaby-Coquitlam (Mr. Douglas) said, is going to be one of the greatest health insurance experiments ever undertaken.

As the hon. member for Simcoe East has pointed out, it cost about $25,000 to train a doctor. When you lose 800 of them you have lost some $20 million in one year. The lifetime earnings of these doctors would be about $400 million. That is a catastrophic loss for a country, in terms of dollars, in addition to the loss of these doctors who are vitally needed for the essential operation of our health insurance program of the future. I am advised by senior men in the medical and dental professions, persons who are high up in their associations in Canada, that the main reason for our loss of doctors and dentists to other countries, particularly the United States, is not only the higher salaries paid there in the various institutions, but rather—and I would say this is almost the complete reason—that in the United States they have vastly improved research facilities in which these scientists can work and develop their theories and practices. This, I am advised, is the principal reason these brilliant young doctors and dentists go to the United States to practise.

If we do not make available here in Canada the additional research facilities which are needed, not only for our own use, but in order to retain these young scientists we train each year, then we are going to continue to lose large numbers of doctors and dentists year after year. This is a catastrophic loss to our medical services, services which our people are going to need, and also an almost unbelievable dollar loss, because we have spent a great deal of money training these men who take their skills to another country.

I have been advised by senior men in the medical and dental professions who are in a position to know, that in order to catch up

with our lack of the necessary research facilities we should be spending now and for a number of years to come at least $100 million a year to provide the type of research facilities this country needs. I do not believe the provinces can afford to spend the money necessary to provide these research facilities in co-operation with the federal government, because they have to spend a great deal of the money they have available on additional hospitals and the other facilities which are needed, such as additional training facilities for their doctors, dentists, nurses and technicians. They simply are not going to have available the money to provide the additional research facilities which are needed.

I urge the minister to consider seriously having the federal government shoulder the whole research load and make available to the provinces the necessary funds so that their research effort can proceed in the manner which is necessary. I believe we are going to have to spend not $500 million in the next 15 years, but at least $500 million in the next five years, or three times the amount of money that is called for in this measure.

I agree with the hon. member for Burnaby-Coquitlam when he mentions the need for a crash program to create the additional doctors, dentists, nurses and technicians who will be needed to make our vastly increased medical plans for the future operate successfully. As has been pointed out in the Hall report, in the next five years we will need 7,100 additional doctors, over and above those we have been training year by year, and an additional 2,100, I believe, additional dentists over and above those we have been training in the past. In addition we are going to have to train a great number of nurses and technicians to keep up with the needs which exist in their particular fields. During wartime we paid our young men and women on a year-round basis and trained them in a minimum time to do the jobs for which they were needed. We must consider our future medical needs on the same basis, in view of the plans we are going to put into operation. We must train our medical personnel in the same way as we trained our military personnel in wartime.

• (8:40 p.m.)

During the past war I and many other Canadians took the war command and staff course, which normally required two years, in 16 weeks, or one sixth of the normal time. I am informed that the course we took was a more full, up to date, and demanding course than the one spread over two years during peacetime. This is the kind of thing we must do today in respect of medical personnel. Those in training to become doctors, dentists, nurses and technicians must be paid and trained on a 12-month-per-year basis, by using the facilities we have available continuously, instead of on an eight or seven month basis, as we do at the present time.

We must not allow our training facilities to remain idle during the summer months while students go to work to earn enough money to continue their studies. We must pay these students on a full time basis and utilize the facilities in the same way. By doing so we would automatically add an additional third to the number of trained personnel we have without adding one brick or girder to our facilities. I strongly urge the minister to give very serious consideration to this proposal.

Finally I should like to speak about another problem with which we are faced today, even before embarking on this imaginative and greatly extended medical aid program. We must attract doctors and dentists to rural areas and then persuade them to stay and follow their professions in those areas. As in any other profession, the medical profession is built around our doctors, dentists and technicians, and some incentive must be provided to induce medical personnel to practice in rural areas, particularly in view of the greatly increased demand which will follow the establishment of any medicare program. I ask the minister to consider seriously the possibility of providing incentives to doctors and dentists to remain in these rural areas, compensating them in some way for the difficulties they experience because of the lack of hospitals and research facilities normally available in urban areas. Something must be done to make sure that in the future we have an adequate number of first class doctors and dentists in our rural areas, so that the medical and dental services we can make available under the medical services plan will be equitable no matter where people live.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the principle and purpose of this bill, and I concur in the criticisms that have been levelled in so far as the suggestion it does not go far enough to meet our immediate situation in respect of health services. I support the proposal that has been made to increase expenditures for the training of doctors, for research and for

the construction of buildings and the purchase of equipment. All these things are required in order successfully to provide adequate national medical service.

There is no need for me to repeat the arguments that have been so well advanced by previous speakers but I rise to emphasize one particular angle and to bring it to the attention of the minister. I do so because I am particularly interested in local participation in government sponsored plans wherever possible.

I come from a community that has done a great deal as a result of local effort and sacrifice. I might say that I have had some experience with the recruitment of doctors. I was one of a committee of three who recruited our first doctor, who was a gentleman who had lost his licence in Ontario. Fifty five years ago we persuaded him to come to our community and we promised him the job as bartender of the local saloon as a foundation for his security. He practised medicine for very small fees, sometimes just for a chicken, vegetables or whatever he might have needed. We made one other stipulation: He had to play the organ in the village church on Sunday night.

I may say that we were very glad he got his licence back when he joined the army in company with the hon. member for Kootenay West. In times of war the authorities overlooked past records. I have also had experience with hospital administration, and I helped to establish the first hospital in our district. I was the director of that hospital for 22 years and the president for several years, and I know what it is to establish and run a hospital in the backwoods as the result of local community effort.

We did establish a hospital in that area and we have a hospital today. This is a community with less than 1,000 people and the hospital is valued at something over $22,000. It has excellent bed services, x-ray equipment and modern operating facilities. Only the very serious cases in that area have to be taken a distance of approximately 100 miles to a larger centre. I pay tribute to the doctors and nurses who have worked in this hospital throughout the years. All of this was done as a result of local participation, local effort and, in many cases, local sacrifice.

When we have government sponsored programs, particularly in respect of health insurance or medicare plans, there is a tendency for local participation and interest to decline. I have seen this happen in recent years. I simply rise at this time to bring this fact to the attention of the minister, because it is unfortunate when we do not have continued interest and participation in communities in support of local hospitals.

In connection with this program I urge the minister that everything be done to promote local interest and participation through a good public relations approach, and possibly as a result of the provision of information to local hospital boards in communities throughout the country. I am speaking from my lengthy experience in a small community, but I think the same applies to the towns and larger centres.

• (8:50 p.m.)

I will say this, Mr. Speaker, that people are not as happy today in the affluent society in Canada as they were in the pioneer days. You will ask why. Because many of them have no purpose in living and no direct interest in the society around them. The more local participation we can get in all these projects, the more successful they will be. I simply rise to bring this to the minister's attention. In view of the fact that possibly he has a somewhat similar background to mine, although probably on a more affluent level—anyway he has had similar experiences to mine—I do hope he will duly consider this aspect of the problem and get local people to co-operate with the provincial authorities and the federal government in securing for this development of health services in Canada the success it should have with our human and natural resources.

Mr. L. M. Brand (Saskatoon): I should like to say a few words regarding the proposed Bill C-199. I must say I feel a bit like Oliver Twist in asking for more, in concert with so many others who have risen in the house tonight. The old cliché that politics makes strange bedfellows became, or is about to become a truism, when I find myself in the position of agreeing with the hon. member for Burnaby-Coquitlam (Mr. Douglas) on matters dealing with medicare. However, I hasten to qualify this by saying that I agree with his observations but not with his optimism. I agree that first of all there is a great need for medical facilities in this stepped-up program. I use the word "stepped-up" because the word "crash" has been overdone and it has overtones which perhaps in my profession are not always considered laudable. A stepped-up program is very necessary before medicare as proposed by the government can be brought in.

The hon. member mentioned 21 days. It seems to me that this is unreasoned optimism, in view of the fact that the guide line of 60 days on which the government operated previously has fallen by the wayside quite recently. I believe, as other speakers have said, that this program should have started a long time ago. In 1964 the medical profession approached the minister of health of that time with proposals for the type of fund which is before the house today. I support the principle of a health resources fund but, as I have said before, I do not believe this legislation is sufficient and I believe that some very important aspects have been left out. The fact that nowhere in the bill can we find any reference to assistance in the operating costs of these institutions that will be provided is, I believe, a very serious defect. In the letter which was presented to the conference of health ministers in September of last year, the Canadian Medical Association pointed this out. This is also pointed out in a brief prepared this year by the Association of Canadian Medical Colleges. On page 9 of this brief which was prepared by J. F. McCreary, M.D., president of the Association of Canadian Medical Colleges, this is said:

> The Royal Commission on Health Services recommended strengthening and expansion of Canadian medical schools through funds provided by federal sources—the health professions university grant. Although the health resources fund has been announced to assist with the construction and expansion of training schools for the health professions, no similar arrangement has been made for increased operational support of medical schools.

There is no provision in this bill to take care of this serious problem of operating costs.

Much has been said about the need for various types of personnel. Reference has already been made by other hon. members to the need for dental and paramedical personnel. As is stated in volume 2 of the report of the Royal Commission on Health Services, tremendous strides must be made in the training of personnel in the paramedical field. This would include physiotherapists and personnel in other related endeavours.

This bill points out the necessity of constructing buildings and providing them with equipment. Is this enough? I do not believe it is. You can build a barn but if you do not have cows to put in it you cannot set up a dairy business. I do not believe that by simply constructing buildings and placing wonderful equipment in them you will automatically provide better medical care and will automatically get people to staff these buildings.

As has been pointed out by the Canadian Medical Association in the brief at a conference to which I have referred previously:

> It is currently observable that certain institutions already built are unable to be used to their full potential because of the lack of trained personnel to operate them. Bricks and mortar are important but the supply of personnel is equally important.

There is laboratory space now available in Canada and not being used. I have already mentioned in this house that in my home city of Saskatoon the University Hospital, which is a very modern hospital, last summer had to close some of its wards which were waiting for patients because there was no personnel available to staff those wards. Am I to understand that if another building is put up alongside the University Hospital there will automatically be enough personnel as soon as the crash program is started? I do not think so. I believe that if this bill does not provide for an increase in personnel, another bill should be drafted which will provide the incentives mentioned by the hon. member for Northumberland (Mr. Hees), incentives not only for those living in rural areas but to bring back to this country and keep here the type of medical personnel that we will need.

I do not think it is good enough to say that as it is the responsibility of the provinces to look after health and welfare it is they who should come up with a plan. I think it is up to the government to give leadership in this field. If the government is to commit itself to a plan of medical care for all of Canada, then they should be committed to making sure that sufficient personnel is available.

Now we come to the matter of priorities. The hon. member for Burnaby-Coquitlam said that we need this program immediately and that it should have the highest priority, and I agree with him. However, I wonder whether the minister agrees with this. I have here a speech made by the minister to the annual meeting of the Canadian Dental Association held in the Nova Scotian Hotel in Halifax on June 15, 1966. I actually read it.

Mr. MacEachen: What a surprise.

Mr. Brand: It will be a surprise to the minister when I have finished, I am sure. It is said in the brief:

> The first phase of the program will concentrate on bringing adequate medical services within the reach of all the population, regardless of their financial status.

This is not quite sufficient.

I wish to quote from page 3 of the speech where he says:

> The Hall Commission did not contemplate that all its recommendations should, or indeed could, be put into effect at once. As a government we have the responsibility of determining the priorities —which gaps should be closed first and which programs would provide the greatest good for the greatest number of people without imposing an undue burden on the economy. We decided that two major first steps were needed: to ensure that Canadians had access to the best possible medical care, when they need it and without regard to their ability to pay, and secondly to help ensure that the country has the facilities and personnel to provide these services on a universal basis.

• (9:00 p.m.)

The minister went on to say this:

> These are the minimum first steps which must be taken in bringing health care of the highest calibre within the reach of all Canadians.

The minister still has not said which comes first. Then, he says this:

> But, we have, I hope made it clear that comprehensive physicians' services are the initial minimum.

There is no suggestion here about the provision of the personnel to operate the scheme. He wants to introduce the scheme first and then worry about the other later. Perhaps this bill, good as it is but still inadequate, is the minister's answer, I do not know. Does he honestly believe that the introduction of a scheme at this late date will allow him to provide the services to operate it? Interestingly enough, since the minister was speaking to a group of dentists, he goes on to discuss dental care and its relationship to the Hall Commission report. On page 4 of the speech, we find this:

> Preliminary studies within my department indicate that the provision of dental services to only 5 per cent more of the Canadian population by 1975 will require additional treatment facilities equivalent to a thousand more dentists. If even this modest goal is to be achieved, the time available for further consideration must be severely limited and the training of whatever type of additional personnel may be required must be initiated on a significant scale as soon as possible.

Then the minister goes on to suggest—and this will interest you—that it will be 20 years before they can introduce dental care. An immediate start must be made on training personnel. But what is he saying now? It is suggested that a medical care program be introduced immediately. Never in my life have I read such absolute nonsense. I will not mention how many doctors we are going to need in the next few years, because those statistics have already been given. I leave it up to you to calculate the percentages we are going to be mentioning in the next few years.

There is another aspect mentioned in the Royal Commission report on health services which is not touched in this bill. The subject of research has been referred to by many speakers. Is it only a shortage of facilities again? I ask, is there any provision going to be made for more money for research? Provide the funds to conduct research in depth, and you will attract people. Let me read from page 111 of the Hall Commission report, volume II:

> The deficiency in the field of health research is not so much the shortage of funds to provide qualified research workers with the support they require, although there is a shortage of such funds, but a shortage of qualified research personnel. This may be due to a loss of staff to the United States—

We have already shown that part of the problem results from this fact.

> —but is more clearly associated with the failure to develop a national manpower policy for the expansion of the supply of Canadian-trained physicians and dentists.

This national manpower policy with regard to physicians, dentists, nurses and so on, is of very high importance in connection with this matter before the house tonight. The commission goes on to say once again that the problem is essentially one of expanding the supply of research personnel, more than the provision of funds, and they use dentistry research as an example.

These are just a few of the matters to which I wanted to refer this evening. I think they are the important ones. I should like to see the government give earnest consideration to the provision of incentives to bring back many of the scientists who have left our country, many of the trained teachers. I suggest part of this incentive might be monetary, because if you ask some of these people why they are in the United States they will tell you that the salary difference is one attraction. The type of research they are doing is also a consideration. The facilities are good, I will go along with that, but we need more. They are not enough, by themselves. I should like to see this done as soon as possible.

The Gundy report, as it is called, points out the need for a tremendous amount of money to be put into medical research in Canada. They make the point that, not by providing people, not by providing medical care, are you going to have sufficient trained personnel for medical research. I believe the minister is in this

group of optimists because he said the other day, as reported in *Hansard* at page 6377:

> Such a program will undoubtedly help to create a professional climate which will attract increasing numbers of able people to the study and practice of medicine and related professions, and will thereby improve still further the quality of care available to our people.

Well said, sir, but what does it mean? It means nothing unless you are willing to do what has to be done to provide the type of incentive for people to engage in medical research. You will attract them by giving them funds and this, I am sure, will benefit the people of Canada not only today but in the future.

I think probably I have said enough at this moment, and I see the minister is agreeing. I should like to refer to just a few newspaper headlines to bolster my opinions. "Medical inequalities would need millions", and that is from the Montreal *Star*. The *Star Phoenix* carries this headline, "Medical research crisis". I do not like to read from newpapers because I think they sometimes have a tendency to try to tell us how to run the house, but I should like to read this reference to the Gundy report:

> Specifically, the report calls for $150 million for new buildings and equipment in the next five years—

The hon. member for Northumberland (Mr. Hees) referred to this figure.

> —and $100 million a year by 1970 to staff and operate medical research projects.

I will be generous; I will use four years, and say we need $400 million for research funds. Thank you, Mr. Speaker.

• (9:10 p.m.)

[*Translation*]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, we have before us a bill providing for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions. The purpose of this bill is to attract an increasing number of competent persons to the study and practice of medicine and medical support occupations.

Mr. Speaker, this bill is, in my opinion, another indirect interference in the field of education connected, in the spirit of this bill, to medical training. The new Quebec government is opposed to such an interference on the part of the central government. That is why I suggest, in order to prevent conflicts and tensions prejudicial to the country and to national unity, to postpone the passing of this bill, so as to allow the new Quebec government to look into it and meet the central authorities in order to agree on terms and conditions.

Anyhow, this attitude of the province of Quebec is not new. During the last federal-provincial conference, the minister of health, Mr. Kierans, speaking on behalf of the province of Quebec of three essential conditions for co-operation in a field as ticklish as this said:

> The creation of this fund is acceptable on three conditions.
>
> First of all, money must be granted per capita; secondly, the Quebec government will be the only one having authority to ask and receive money from the fund; thirdly, the Quebec government itself will decide upon its use.

Mr. Speaker, according to the bill the central government reserves the right to distribute at its discretion, and by order in council, a great part that is $125 million of the fund of $500 million. Well, Mr. Speaker, the Quebec government, prior to June 5, 1966, and the new government, are absolutely opposed to this arbitrary way in which the central government will distribute, at its own discretion, a substantial part of this fund intended for health training facilities.

That is another example and even if I am one of the few who speak in that spirit in the house, I will do it until my term expires. Even if sometimes that attitude might bring a smile to the lips of the government members from the province of Quebec, we will see in the years to come who will have the opportunity to smile in this house and who will be wearing slippers at home after the next federal election.

Those problems, Mr. Speaker, must not be solved unilaterally, with that attitude, which I would call indifference and even arrogance towards the opinion of certain provinces and that of the province of Quebec, of always carrying the initiatives of the central government into exclusively provincial fields of jurisdiction.

Personally, when I observe the present government interfering in all the fields of Canadian activity, I cannot see any further reasons for having a Canadian constitution in this country and talking about a federative system in Canada. We have gone beyond that, following all those activities in the manifold details of Canadian life. The needs are great and several hon. members explained airily, with a great display of knowledge, that in the field of medical training

and research the needs are urgent and necessary. I agree that those needs exist and that the central government takes an interest in those problems and needs, but according to the Canadian constitution and under a federative system, it is not all justified to interfere in those problems, to engage in the game of "one-upmanship" with the provinces, to keep the larger share of the fiscal cake in Canada and to prevent the provinces from assuming their own responsibilities.

Are the provinces considered mentally retarded in that particular field since we are talking about health? What competence does the present government give the provinces, what intelligence does it grant to the administrators of the ten provincial governments? In the last few weeks or even months, we have had the impression that the present Liberal government is not giving credit for any intelligence to the administrators of the ten provincial governments, does not have enough confidence in them to allow those people to assume their responsibilities. It will be said that such and such a province did not assume a particular field of responsibility, did not take any initiative; it is very easy to understand because the central government, pretexting wars and economic crises, collected all the revenue from taxes in Canada and refuses to give back to the provinces their share of the taxation field.

How could the provinces, British Columbia, Nova Scotia or any other, including Quebec, have enough money to establish these very Health Resources Funds intended for training facilities, when the central government, like Scrooge, like a jealous and all-powerful Croesus, is keeping in its treasury three quarters of Canadian tax revenue? There lies the problem. It is regrettable, Mr. Speaker, that members from the province of Quebec, fully aware of the views and aspirations of their fellow-citizens and of their province rise only to flatter their government. I predict that, some day, they will be appointed ministers, parliamentary secretaries, or sent on marvelous journeys around the world. But they are not fulfilling the mandate entrusted by the Fathers of our Canadian Confederation to us all legislators, until we amend the Constitution, and calling upon us to respect the principles of federalism and the responsibilities of the central government as well as of the provincial governments.

I am not surprised to see some members opposite smiling, or laughing their heads off. I know that people in some quarters are not giving a rap about the aspirations of certain Canadians and of a certain province; but they may realize later on that by keeping the lid on Canadian federalism, and striving towards a unitary system, they will bring about severe conflicts in Canada and the responsible ones will be the very people who kept their eyes shut or who, ostrich-like, stuck their heads in the sand.

I have here the text of the 1867 Constitution, and I dare any member in the house, as well as the hon. minister, to tell me under what provision of the Canadian Constitution, which will remain in force until we amend it, the central government has the right to interfere in the field constituting the substance of this bill.

On the contrary, the object of this bill comes under the exclusive jurisdiction of the provinces as, in 1867, all local, regional, civil, professional, social and educational questions were assigned exclusively to the provinces, under a stipulated compact, within a confederative pact. And neither a province nor the central government has the right to change the agreements accepted at that time, in order to meddle in various fields.

• (9:20 p.m.)

Here is an opportunity for centralization rampant in Ottawa. And it is nothing new. For instance in 1919, Ottawa began to meddle in the health field, in social questions, by the passing of an act to contribute to the fight against venereal diseases and to create a public health department, although health and the social field belong to the provinces.

In 1942, Ottawa went even farther into the social and educational field of vocational training. In 1944, it set up the Department of National Health and Welfare. In 1948, it adopted a national program of health and hygiene by providing 13 subsidies. And today, it forges ahead in medical training, adding to the increasing centralization of powers and taxation in Canada which has been the only cause of dissension and misunderstanding between Canadians from Halifax to Vancouver.

Here again this evening we have another example of what is referred to, in fashionable circles, as co-operative federalism, that milk-and-water creation; instead of following the dictates and fundamental principles of true

federalism, the main principles of which were included in our Canadian constitution, people talk of co-operative federalism to excuse the trespassing, the meddling in exclusively provincial spheres of jurisdiction. We are told that the central government will reach agreements and co-operate with the provinces, and so, we will solve the country's problems. But see how this is done, Mr. Speaker. The central government, moved by a spirit of arrogance and domination, penetrates unilaterally, in a given field, without the ultimate and complete consent of the provinces, or at least that of Quebec, invades a given field, and having moved in, tells the provinces: See, that is what we can do. And out of the funds it distributes, it can allot $175 million, if it so wishes, by order in council, and as it sees fit, to a field of provincial jurisdiction.

Mr. Speaker, newspapermen and public figures were right in saying that this co-operative federalism is just another excuse to justify more unrestrained centralization of powers and authority for the benefit of the federal government and that this amounts to centralization by agreement. It is nothing else, Mr. Speaker. Ottawa trespasses in an area outside its jurisdiction and when it is installed, it plays the liberal, the generous, the debonaire; the central government even plays Santa Claus by making offers right and left to the provinces and saying: Here, we have the money, because we have decided to give you this and that.

Mr. Speaker, here is another bill that will increase the mistrust and misunderstanding between Canadians and in spite of the rumblings I can hear, I challenge their authors to rise, even with the sarcastic smile showing on their faces, to show me in the constitution of Canada, the legality of this bill which is precisely contrary not only to the letter, but to the very spirit of the Canadian constitution.

I know that my own solitary intervention may be unilateral, but this will not prevent both sides of the house from maintaining this centralizing regime because it is based not only on rights but on needs. But, if within six months to a year, fundamental pressures or conflicts unfortunately occur—that would be cruel for the country—the responsibility for such tensions and conflicts will not rest with the province of Quebec but with those who, indifferent and all-powerful, take upon themselves powers that are not theirs and invade tax fields which belong to the other level of government.

[Mr. Allard.]

That is why we, various members from both sides of the house, have been asking, ever since the session began three months ago—I see some of them at their desks, others in the lobbies—in all good faith and fully aware of the implications, because of the problems which have developed in our country and of the new problems which have cropped up and did not exist in 1867, for the establishment of a joint parliamentary committee to enable us, legislators of the Canadian parliament, since we are just as intelligent as the Fathers of Confederation who, in 1867, settled the problems of their time, to solve them now together, within the framework established to that effect, rather than in the unilateral manner being followed by the present central government.

We are asking for a parliamentary committee on the constitution in order that senators and members of this house may sit here and define fairly, according to changing times and problems, a constitution within a true federalism, taking into account the disagreements and differences which exist in 1966 but which did not in 1867. That is what we are asking and what is the government doing? Nothing, it is asleep. I am looking at several members and telling them: At the next federal election, go back before the people and explain why you are preventing those who came here, in all sincerity and honesty, to settle the problems of 1966, why you prevent the members of either side from settling those problems. You are allowing such tensions and pressures to continue. Well, you will have to bear that responsibility, not only in your very heart, but also in the face of the whole country.

We are precisely requesting some reforms. Fiscal reforms are a must. Constitutional reforms are a must. It is necessary to examine problems of education, health, industrial problems within a new concept, a concept of 1966 or 1967. I cannot understand, although some members on this side of the house may call this a poor performance, how those who have come here, not to go to sleep, not to deceive the people, but to settle the problems of the country, are being refused this opportunity to establish a committee once and for all, because we Canadians, from Halifax to Vancouver, from Calgary, Fredericton, Toronto, North Bay, from everywhere, from coast to coast, need to live as brothers and with trust. But we are denied this opportunity, because initiatives which cause tensions, misunderstandings and defiance

between Canadians are allowed to become established. Mr. Speaker, that is the reason why I wanted to raise again this particular matter tonight.

I have high hopes that the present government will give serious thought to the situation before bringing forward other similar legislation. It is not only tonight's bill; recently it was the field of culture, and yesterday, that of federal loans to students, an exclusively provincial jurisdiction. I challenge hon. members of this house who are in favour of unrestrained centralization, to show me what, in the Canadian constitution, empowers the central government to handle everything and to handle it very badly at that.

• (9:30 p.m.)

The province of Quebec is not a separatist province; the province does not want separation from the rest of Canada. On the contrary, it is an hospitable province, it is a good-natured province. It is a province of good faith and its patriots want to live with the rest of the country, but on the same footing. They do not want always to be pushed around as is done through this legislation which conflicts with the aspirations and the sacred agreements which were passed in 1867.

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I would be vexed with myself if I did not give my impressions on this bill and on the infringement of the federal government in provincial jurisdictions. I wish to support sincerely and wholeheartedly, the statements and the remarks made by the hon. member for Sherbrooke (Mr. Allard).

It is true that the federal government interferes in the field of provincial institutions; it is true that it does not behoove the federal government to encroach on provincial affairs; it is true that the provinces are able to administer themselves; it is true that we are short of doctors in Canada, as well as technicians in various fields, but this is not the fault of the provinces. Indeed, it is that of the federal government.

I would say also that it is the fault of the citizens, who failed to assume their responsibilities; that of the ministers, organizers and controllers of the federal government, who have refused to perform their duties. They only took the whole piece, they took over everything coming under provincial jurisdiction.

I absolutely agree with the hon. member for Sherbrooke that this constitution needs to be reformed. The provinces know their needs and it is up to them to ask for the necessary reforms. The federal government has only to give credit to these provinces so that they may develop normally without periodically going into debt.

Technology in all fields must be helped. There is no lack of young people ready to become technicians and doctors. Many would like to become doctors. Medicine is a vocation. Many young people cannot become doctors because they do not have the means.

A student must get $25,000 to $30,000 in debt to become a doctor and then incur further debts to the tune of $50,000 to buy a property, a car, everything he needs to set up practice. On top of this the people are burdened with income tax and other federal and provincial taxes. People are then unable to develop their potential. That is why many are unable to reach their goal. There is no lack of human material, but what is lacking is financial means.

And that is because the financial institution is not fulfilling its role, achieving its object. It falls directly to the Minister of Finance to reform that institution. It is the sole responsibility of that Minister and all the other ministers of the present government.

All we have to do here in Parliament is give the provinces the necessary financial institutions and means and they will take care of fiscality and education. In all fields of endeavour, provinces know what they want, know where to go. They know where to get their technicians, how to build hospitals. There is no need for the federal government to butt in everywhere. It does not have to control everything, to socialize everything. We do not want socialism; we want free enterprise; we want our citizens to be free to organize their way of life as they wish, as they see fit, according to their own aspirations.

That is what we need in Canada, Mr. Speaker. If we cannot achieve this, and give the provinces what they need, their fiscal powers, their rights in every field of provincial jurisdiction, if we cannot do this, then we are heading toward anarchy. The provinces will not tolerate indefinitely that the federal government monopolize all powers of taxation and all powers over institutions. The provinces want to manage their own affairs, the citizens in every province want to use their own initiative, for they are capable of developing their provinces themselves.

That is why I fully support the hon. member for Sherbrooke. He is well qualified to

speak of the constitution. He brought to light the constitutional principles of provincial governments with respect to the federal government.

I ask each minister to take his responsibilities; I also ask the Minister of Finance to take his responsibilities in the financial field and to organize a financial regime which would make financially possible what is physically possible and feasible in our country.

Mr. Alexis Caron (Hull): I can hardly allow the last two speeches to go without saying a word. I was not supposed to speak on this matter but when on hearing statements as those made by the member for Sherbrooke (Mr. Allard) to the effect that the federal government takes everything and gives nothing to the provinces, I feel I must rise and say that there is some intellectual dishonesty there.

The preamble of the bill reads in part as follows:

—to assist provinces in the acquisition, construction and renovation—

The federal government has prepared a bill in such a way that all provinces will have the same system so as to organize health properly in Canada.

Organization was essential and the federal government has chosen that method. The member who has just resumed his seat said a while ago: We are short of doctors and that is the fault of the federal government. But how could it be the fault of the federal government if we are short of doctors?

Doctors were always trained by our universities, and if we are short of doctors, it is because in our institutions, they were not given the opportunity to become doctors.

Today, the province of Quebec is reorganizing such courses so as to permit young people to carry on medical studies without having to follow a special course leading to literature rather than sciences; this will permit people to become doctors more easily, and the member also said that the federal government is to provide funds to those provinces. That is precisely what is being done; funds are provided to provinces so that they may organize, nothing else, and that is exactly what you are asking for.

• (9:40 p.m.)

The hon. member for Sherbrooke (Mr. Allard) says: We are destroying confederation, and the province of Quebec is not responsible for that. I say that statement is completely false.

[Mr. Latulippe.]

The federal government always took the precaution of concluding an agreement with the provinces before doing anything; it always asked the provinces what they intended to do. It never imposed itself upon them nor does it intend to do so, and that is the reason why I say that this bill is absolutely necessary at the present time.

It is my contention that the hon. member—he just left the house—was wrong in condemning the federal government. I agree that his government has come to power in Quebec a few days ago, but this does not warrant a complete reversal of his position.

We are here to organize provincial welfare in the fields of health and labour, and within every existing organization. The federal government had to step in so that the provinces think in the same way. I maintain that our intervention is justified, that the government is to be commended for its action, with which I wholeheartedly concur.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I was not going to speak since one of our members already did, but following the intervention of the hon. member for Hull (Mr. Caron) who tried to refute the assertions of the hon. member for Sherbrooke (Mr. Allard), I must do so in order to point out that the argument of the member for Hull, as a French Canadian representative to the parliament in Ottawa, is very weak.

When hon. members say that there is a lack of doctors, teachers and technicians in the province of Quebec, they are right. And when they ask: who is to blame? The answer is: the federal government. And that is also true. Why? Precisely because, during the last war, the federal government took over the three main fields of taxation in the province of Quebec, leading it to think that they would be given back to her at the end of the war. The war has been over for 20 years and the federal government still keeps the land tax which the province of Quebec needs to provide training for its doctors, technicians and teachers.

When it is suggested that we lack such a thing on account of the federal government, this is what it means. We are not trying to evade the issue, we are going straight to the point. Give us back our taxation fields, give us back what we lent to you in the last war, and I assure you that the province of Quebec will have enough doctors; Laval University in Quebec city will not turn down, as it does every year, from 75 to 80 students who are

unable to further their studies for lack of space.

Mr. Speaker, I am surprised at the statement of the member for Hull (Mr. Caron), but I am even more at the unquestioning and submissive silence of all our French Canadians within the Liberal party who dare not raise their voice. They had orders to let this bill pass. Whether it is anticonstitutional or not, it does not matter; the caucus decided so and it must be done. I say that this bill is the most anticonstitutional I have seen since the beginning of this session. It seems that the government is in a hurry to shower on us, at a rate of one or two a week, such bills which intrude in the affairs of Quebec. They seem to be trying to get away with it before the next Quebec government catches up with them. I am very anxious to witness the meetings with a man from Quebec who will finally stand on his feet.

When I saw the Quebec premier demanding the taxation fields after having surrendered them himself when he was minister of northern affairs, I failed to understand this amazing buffoonery. But the Quebeckers did, and I sincerely hope the present Quebec team will act as true Quebeckers and will sit around a table with the federal members in order to finally recover the rights which belong to the province of Quebec and make the whole population understand that the French Canadian jokers on the government side of the house will not always retain their seats.

In Quebec, there is a dearth of doctors, of professional men because our universities are overcrowded. And apparently, the whole problem is dependant on federal authorities.

I wonder if my hon. friends opposite who are rejoicing over the return to power of the present provincial government will recall that in 1942, a former colleague of the present premier who is now a judge of the superior court, stated before the Kiwanis Club in Montreal that our forefathers had been brought up in ignorance and that it would be treason to give instruction to our people because we would find happiness in ignorance.

Mr. Speaker, little wonder that between 1942 to 1960, there was a dearth of accommodation in our universities.

Fortunately, since 1960, the question of education in Quebec has been on the program of the former government. And only one thing is desirable, and it is that the present government continues in the footsteps of the Lesage government and that there will soon be room in the universities.

[*English*]

Mr. Deputy Speaker: I must advise the house that if the minister speaks now he will close the debate.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, a number of points have been raised by hon. members in the debate that I would like to deal with very briefly, but before doing so I wish to thank hon. members for their participation in the debate and for the contributions they have made to a better understanding of the health resources fund.

An apparent concern of a number of hon. members has been with respect to the size of the fund—is it large enough to meet the estimated needs in the field of health training in the immediate future? I hope that my comments will be of such a nature as to remove a good deal of the concern that has been expressed on this particular matter.

Hon. members may have had a chance to look at the report to the conference of ministers by the ad hoc technical committee on the health resources fund. As the report indicates, each of the representatives of the provinces was asked to supply preliminary estimates of provincial needs so far as these needs related to the areas coming within the scope of the health resources fund. The total amounts by provinces, as made available to the ad hoc committee, indicated that the approximate needs were in the range of $1 billion. Through this legislation the federal government is putting up an amount equal to one half of the needs in this field as estimated by the provinces.

Also to assist in removing the concern expressed by hon. members, I should like to refer to one paragraph found at page 11 of the report of the ad hoc committee, which reads as follows:

> The committee worked on the premise that the $500 million in the fund was an estimate of need and that the federal government might be prepared to reconsider this amount when needs were more clearly defined.

The fact is that this sum was arrived at as a result of consultation with the provinces as to their needs. It has been confirmed by the ad hoc technical committee, and reported as such to the conference of ministers, and no province has suggested that this amount is inadequate to meet the estimated needs in the

field of providing capital facilities for training in the health sciences. My guess, Mr. Speaker, is that the amounts that will be readily available from this fund will not be taken up in the early years by projects submitted by the provinces. My guess is that this fund is more than adequate to meet the estimated needs in the immediate period ahead.

• (9:50 p.m.)

Hon. gentlemen raised another important point with regard to the allocation of funds. They asked whether funds are to be allocated on an annual basis. Funds will not necessarily be allocated on an annual basis. They will be made available as projects are brought forward. No project in any province will be held up because a strict annual allotment is being applied to the allocation of these funds. That also removes the major concern expressed by hon. members.

The hon. member for Medicine Hat (Mr. Olson) raised a question with regard to the requirement that an over-all plan be made available to the minister, supported by the advisory committee, from which individual projects would be drawn for approval. We will ask for an over-all plan from any province so that there will be an orderly development in this field, and so that projects will not come forward on a haphazard basis. We not only expect but provide that the fund will be applicable from the first of this year, and that current programs will be eligible for support from the health resources fund.

Yesterday when I was in Vancouver I had an opportunity to discuss with the dean of the medical faculty at the University of British Columbia the plans of that institution for its new health sciences centre. Next Thursday the sod turning for this tremendous, major and in a sense pioneer development will take place. This will be supported from the health resources fund. I understand that this has been in the development and planning stage for a period of seven years. This project now will go ahead and the amount which will be available from the health resources fund for that particular project I understand will be in the amount of $18 million. That is a very significant sum to be made available for one particular health complex on one particular campus in Canada. The same application of the principle should be made to other institutions of Canada which have on-going plans and on-going preparations which are eligible for support under the health resources fund.

I appreciate that certain aspects which have been raised in this debate are of great significance, but they are more directly related to another issue which will be before the house later this session, and I hope very shortly, namely the medicare insurance bill. I forego the opportunity to deal with the question of the shortage of personnel in anticipation that a full opportunity will be afforded for debate on this issue in a more relevant context when dealing with the medicare legislation itself.

The hon. member for Kootenay West (Mr. Herridge) brought to our attention a very important point, namely his wish that the development of governmental plans shall not interfere with or inhibit local participation or local initiative. Had the hon. member listened to or read my speech which I made in Vancouver he would have realized that I agree fully with him in this instance, and agree also with this very interesting but incisive comment that possibly some of the major problems involving Canada today are problems of affluence rather than problems of deprivation. It is unfortunate I do not have more time to deal with this rather interesting by-path that was brought to our attention by the hon. member for Kootenay West.

I appreciate the comments made by the hon. member for Sherbrooke (Mr. Allard) with regard to preserving the constitutional responsibility of the provinces in the health field. I should like to remind him that this proposal which is now before the house is the product of the most careful and intensive consultation with all provincial governments. An ad hoc committee composed of the deputy ministers of all the provinces met and reported to the conference of health ministers. The legislation before the house is a product, an agreed conclusion, of the conference of health ministers representing all the provinces.

I hope I am not misstating the situation when I say that the bill before the house substantially represents the views put forward by the province of Quebec at that particular conference of health ministers. In each case we will respect the right of a province to put forward its own project for approval by the governor in council and by the minister. No project will be accepted unless it is put forward by a provincial government. The framework of the legislation, the allocation of funds, the advisory committee structure, the purpose for which the moneys will be spent,

all have been dealt with at federal-provincial discussions, and this certainly is not arrogant centralizing legislation.

On the other hand it is the result of consultation and collaboration with the provinces of Canada. Because it is a result of this collaboration and consultation, it will make a substantial contribution to the provision of health resources in Canada. I commend this bill to the house for second reading.

[*Translation*]

Mr. Allard: Mr. Speaker, I should like to put a question to the minister.

Is it a fact that during the last federal-provincial conference, the government of the province of Quebec represented by the honourable Eric Kierans, objected to the amount of $175 million that the central government, under the bill, now proposes to distribute according to its own whims and fancies by order in council?

[*English*]

Mr. MacEachen: Mr. Speaker, I should like to withhold an answer to this question until we are dealing with the clauses in the bill with regard to the allocation of funds. I would be very glad to discuss it at that time.

Motion agreed to and bill read the second time.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I should like to indicate the business for tomorrow. We will start with the estimates of the Department of Labour; then the estimates of the Department of Fisheries; then No. 77 on the order paper, the Atlantic Development Board Act resolution; then No. 55, the bill to provide for the establishment of The Company of Young Canadians; and then No. 61, the bill relating to the National Arts Centre.

• (10:00 p.m.)

I should like to mention that there are two Canadian National Railways branch line resolutions which will be on the order paper. I am not sure whether or not the notice has been given tonight. I mention this so that members will have notice of it. One bill relates to a branch line in Saskatchewan to service a potash plant and the other relates to a branch line in Manitoba to service a copper-zinc mine. Since they are C.N.R. bills they will require a resolution stage. Once they appear on the order paper I hope that the resolution stage can be dealt with in order that the bills can be brought forward and passed promptly. I felt that I should give notice in this regard tonight.

On Thursday we propose to deal with legislation throughout the day, so hon. members should be prepared to debate any legislative item that appears on the order paper. On Monday we will continue with consideration of the Bank Act revision resolution.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDIAN AFFAIRS—ALBERTA—PETITION OF TEACHERS RESPECTING SCHOOL CONDITIONS

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, on June 8 I directed the following question to the Minister of Northern Affairs and National Resources who is now, I believe, responsible for Indian affairs. The question appears at page 6139 of *Hansard* for that date:

> Did the minister receive a petition from the Alberta Indian Teachers Association setting out certain grievances with regard to Indian schools, mentioning particularly the lack of proper medical attention and sanitation facilities? Is he aware that eight teachers have resigned because of the situation, and has he any comment to make?

Since that time there has been some discussion of Indian affairs during our consideration of the estimates. As a result of this question I asked the minister to investigate the educational, medical and other services that exist on Indian reservations, particularly in Alberta and more particularly at Morley and Gleichen in respect of the two tribes, the Stony and Blackfoot Indians. As a result of my letter to the minister I received a four page reply which in fact appeared to deny many of the facts contained in the article carried in the Calgary *Herald* and later in the Calgary *Albertan.*

I may say at the outset that any remarks I make should not be taken as criticism of the present minister, in view of the fact that he has only recently taken over this portfolio. I hope my remarks will be of some assistance to him in his thinking with reference to this matter.

My question was asked as a direct result of an article which appeared in the June 8 edition of the Calgary *Herald.* I do not lay

any blame on the present minister for the grievances that now exist because he has just, as I said, taken over this portfolio following reorganization. Unfortunately the ministers have changed so often as far as Indian affairs are concerned that they have failed to become knowledgeable of Indian affairs.

The letter written by the minister I am sure was of the same type that would have been written by former ministers—Mr. Nicholson, Mr. Favreau and, indeed, probably the ministers of the former government —because the department has been laying down a certain policy for so long that the Indians themselves are never asked what they consider to be the remedy for their problems in respect of education, medical services and, indeed, making a living. I once referred to this as the cod liver oil treatment. It is much like grandmother saying to a grandchild: Open your mouth, this is what you need; it is good for you.

I am sure the present minister will achieve nothing to improve the lot of Indians by continuing the policies of his predecessors, and I am sure he will not benefit by listening to the officials of his department. He could achieve more by visiting these reservations and talking to the Indians themselves.

I should like to quote from a letter written by Dr. B. A. Waldron. I know my time is limited but I should like to confirm that what he has stated in his letter of June 1, 1966 is factual on the basis of my experience during more than 25 visits to the reservations at Gleichen and Morley during the last 10 years. I might add that before I became elected as a member of parliament I was made an honorary chief of both the Stony and Blackfoot tribes. This man has been providing medical attention to these Indians for a number of years and he states in his letter, in part:

> My experience with treating these Indians has made me aware that their present medical and social welfare is at a standard far below that availble to the residents of Canmore and Exshaw. I believe that the life expectancy for a Canadian Indian is half that for a Canadian European and I have knowledge of at least six deaths among Indians at Morley during the past 18 months which almost certainly would not have occurred had the medical facilities been the same as in Canmore.

I will send a copy of this letter to the minister because I do not have time to quote it all, but it points out the seriousness of the situation. For example he says that a building was constructed in Morley in 1930 when the population in the reserve was far less numerous than it is now. Although it is called a hospital it has not functioned as one for some years. The minister will say that those Indians are of course allowed to go into Calgary, but anybody who knows anything about the standard of living at Morley or Gleichen would know that the Indians cannot afford the gasoline for a car to take their sick people to the city of Calgary. These facts have existed for a long time, long before the present minister took over.

I am convinced the minister should be getting advice, not from his officials but from men who understand physcology, skilled anthropologists and sociologists such as Dr. Vernon Serl and Dr. Arthur Davis of the sociological department of the University of Calgary. As long as he takes advice from the same crowd of people from whom he has been getting it in the past, these Indians will continue to live in the state of poverty in which they have been for years. I do not mean this in any disrespectful way by any means but I hope the minister will ameliorate the situation and in that way make a name for himself.

I have spoken on this subject many a time. Too often we have been prone to criticize our neighbours to the south in reference to their treatment and understanding of the American negro. However, our treatment of the Canadian Indian is far more lacking in understanding. We have almost confined him to a form of concentration camp where, in some cases, he gets treaty money of $5 a year and $15 twice a year as interest on band funds. At the same time we keep eroding away the area known as the reserve. What other income has he but family allowance on which to live?

Eight teachers have resigned from the schools on the two reservations which I mentioned. I appreciate the time which the minister took to write me a letter setting out these details but the fact is that these teachers have resigned to go to other positions to which they would not be going if they were getting a fair deal on the reservation. I may say I had a conversation with one of them in reference to a letter he has written to the department, in which he said that their grievences were correctly set out in the newpapers but they could not afford to have their names bandied about when working as provincial employees.

Mr. Speaker: I regret I have to interrupt the hon. member but the time allotted to him has expired.

Mr. Woolliams: There is one more matter with which I should like to deal. I will not take much longer.

Mr. Speaker: By leave.

Mr. Woolliams: Thank you, Mr. Speaker. I recommend that we set up a form of educational system equal in standard to schools which serve the rest of the communities in Alberta, and above all we must set up a royal commission on Indian affairs. I suggest that Indian representatives should sit on that royal commission because they are the ones who know their own culture and their own province best.

In this connection I wish to quote the following poem:

> We are a part of all that we have met;
> Each is needed by each one,
> And nothing is good alone.

If this matter is brought before a parliamentary committee, all that will be achieved is that these Indians will listen to the officials of the department but will continue to live in conditions of squalor.

Their educational standard is far below that of the other people in the province of Alberta and they really can be categorized as second class citizens because of the conditions to which we have subjected them. I hope the minister will take what I say very seriously, because I have never been more serious on any problem.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): In replying to the hon. member I will not take issue with his statements because I have not been on either of these reservations. I have some knowledge of the conditions existing in the average Indian reservation. I am not proud of that and I do not think this house should be proud of it. However, I am of the opinion that on the average the reservations in the province of Alberta are probably equal, or even superior, to most of the reservations in Canada. There are therefore in some of these reservations some lands that are extremely valuable. There are returns to the Indian people, by way of oil leases and agriculture, that are above average.

• (10:10 p.m.)

I do not know all the facts connected with these particular incidents. The hon. member has suggested we should get to know more about the Indian problem. This is precisely why the committee on Indian affairs has undertaken to send out committee members to see a number of reservations. We are going to break up the committee into three or four parts so we can get some members out physically to see conditions on the reserves. I feel this is a splendid move. I want them to be representative reservations. I do not want members to see all bad reservations or all good reservations, but to see a fair cross section of reservations in the country.

We have been endeavouring to work with the provinces in the field of education. We want to move all the Indian children into the provincial school system as rapidly as possible. In British Columbia today we have 47 per cent of all the Indian children in the school system of that province. So far we have not done so well in Alberta. There are 4,048 children in federal schools and 3,045 in provincial schools. We hope to extend the facilities ordinarily given to every other citizen except the Indian. In Alberta, we have approached the government with a project under which we will carry 90 per cent of the cost for two types of program. Alberta has indicated they will accept the community program, but they do not want the welfare program. We wish they would accept both of these programs because we are very heavy contributors, to the extent of 90 per cent. This would enable the services to which my hon. friend referred to be extended to the Indians.

I do not want to be critical of my hon. friend referred to be extended to the Indians. tions on these reservations. I do want to tell him there is some indication that in those particular schools in which some trouble has occurred, there is difficulty between members of the staff. He may have noted himself that some of the teachers in this group made it known to the press immediately afterwards that they wanted to dissociate themselves from the remarks that had been made. This matter is under study now. Mr. Davey, our superintendent of schools, has been in the territory and is discussing the entire matter which the director of education of the Oblate Mission there.

[*Translation*]

CANADIAN CONSTITUTION—REQUEST ESTABLISHMENT OF JOINT PARLIAMENTARY COMMITTEE

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, on June 9 last, I put the following question to the right hon. Prime Minister:

> As the new or next Quebec government advocates in its program, a new alliance with the rest of the

country and the drawing up of a new Canadian constitution, does the government propose to set up shortly a joint parliamentary committee on the Canadian constitution?

The government knows that in 1963, a member of the Union Nationale, then in the opposition, moved a resolution for the establishment of a parliamentary committee on the Canadian constitution, a resolution, Mr. Speaker, which was unanimously approved at that time.

In 1964 and in 1965, that parliamentary committee in Quebec sat, heard evidence from several individuals, representatives of national associations or others, and studied five political options, namely: first, the status quo; the system which has been in operation since 1867, which I will call quasi federalism. With regard to the discrepancies in the text, there are also centralizing experiences in the confederation life over the last hundred years.

As a second option, various people commented on co-operative federalism which is, in a way, the continuation of the same system where the central government interferes in all kinds of fields coming under provincial jurisdiction and then asks the approval of the provinces—what Hon. René Lévesque, with ministerial responsibilities, used to call the painless abortion of the French Canadian nation.

Consideration was also given, as a political option, to the associated state status, an independent status which in fact does not seem possible in the present circumstances.

And finally, as a last political option, which was strongly commented upon, the drafting of a new Canadian constitution setting up in the country a positive and bicultural federalism with a special status for the province of Quebec in some fields.

Mr. Speaker, that last option was in the political platform of the new Quebec government which is getting ready very soon, at ministerial meetings and at federal-provincial conferences, to request the drafting of a new Canadian constitution for such purposes.

It would be necessary, therefore, that parliament in Ottawa, the legislators in the Upper House and the other place, be in a position to state clearly, in good faith, their thoughts in a modern spirit, that of 1966, in order to engage in a dialogue on those fundamental problems.

We should not be afraid in 1966 to have the courage, the initiative and the good faith to approach all those Canadian problems, fiscal, constitutional, political and industrial, in order to set up the reforms necessary to a final get-together between Quebec and the other English provinces and the other ethnic groups in the country.

This is why, since the beginning of the session, many members have asked—and I am earnestly bringing up the subject again this evening—the present government to set up a joint parliamentary committee, in order that we may define more accurately together our opinions on those important matters and the proceedings of that parliamentary committee would be followed by a national constitutional conference.

I hope that the Parliamentary Secretary to the Prime Minister will be in a position this evening to give us a favourable answer.

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): Mr. Speaker, I fail to understand the fascination exerted on the minds of the members of the opposition and of an independent member by this notion of a joint parliamentary committee to discuss constitutional problems.

The hon. member for Sherbrooke (Mr. Allard) mainly spoke of the problems in connection with the interests of the Quebec government. I can hardly see why the Quebec government would come here to seek within a committee we would establish the enlightenment it needs over there to form its own opinion on the constitution. True, there was created three years ago, a committee of the legislature on constitutional problems and this is explained by the fact that there were not two Quebec politicians who agreed on constitutional matters. And each referred to a particular formula, such as independence, associate states, special status and all sorts of confederations of ten independent states. They needed a parliamentary committee probably to help themselves see their way through.

As for us, we think that the role of a party government, which claims to have power at the national level, is to have a constitutional philosophy and to govern accordingly.

A committee such as proposed by the hon. member for Sherbrooke seems absolutely useless to me in this direction. Either the opposition and the independents have no constitutional philosophy, and thus that committee can only serve to give them one, and therefore that committee is of no use whatsoever; or they have a constitutional philosophy and it is in agreement with that of the government, and

then that committee serves no purpose either: or finally they have a constitutional philosophy which is at variance with that of the government, and that committee can only serve as a forum to place constitutional problems at the level of political quibbling and partisan discords.

This can in no way, in my opinion, further the constitutional debate, and I think that those ideas originate from persons who put into their minds that Canada needed to amend its constitution throughout. I suggest that this idea essentially belongs to a rising bourgeoisie which wants to change the rules of the game without taking basic needs into account.

We have a constitution, it undoubtedly needs to be applied in certain sectors—and particularly in section 133—with more vigour, and also there surely is an area where there is room for improvement, but it is the responsibility of a party, a government to have that idea. And this sort of committee as proposed to us can only be, in my opinion, a place of discord or mutual sterilization.

• (10:20 p.m.)

[*English*]

CANADIAN NATIONAL RAILWAYS—HAMILTON, ONT.,—NIGHT SHUNTING OF CARS IN RESIDENTIAL AREA

Mr. William Dean Howe (Hamilton South): Mr. Speaker, last week I raised the matter of the inconvenience and nuisance caused by Canadian National shunting operations in Hamilton, and I would like to elaborate on this serious problem.

About a year ago, the Canadian National moved its shunting operations eastward from the Stuart Street yards to the Parkdale yards. Unfortunately the latter is immediately adjacent to some 200 homes, and the shift has caused great distress to the inhabitants of that neighbourhood. The diesel engines in the yard create television interference over a large area. After an evening of distorted viewing, the residents are then subjected to the noises of shunting from midnight on.

I have had letters written at three or four in the morning from constituents unable to sleep because of the noise. Some have described the situation as living in a constant thunderstorm. Added to this is the soot and ash produced as freight car sweepings are burned in the Parkdale yard. This ruins house exteriors and laundry, and makes outdoor recreation impossible. It makes it necessary to keep windows closed in hot summer weather. Property values in the neighborhood have fallen drastically in the past year, and the residents are fed up.

Shortly after shunting began in the Parkdale yards, a citizens committee requested that the shunting be moved a few blocks east, to a relatively unpopulated area. This was done, but after a short time operations were resumed in the Parkdale shunting yards, as before.

During last fall, this committee met with municipal, provincial and federal authorities, in the presence of some Canadian National representatives. I was present at this meeting and I was delegated to approach the Minister of Transport on behalf of these groups. I asked that the shunting be moved again to the east, a very simple matter to relieve the current nuisance.

The minister never did answer my letter which I wrote on October 26, but with customary alacrity, the department officials replied in January of 1966 with a report which indicated that consideration was being given to a number of plans to improve the situation. But there still has been no change.

Again in February of 1966 I received a letter from the Canadian National, or from representatives of the Canadian National which states in part:

> The transfer of operations to some other point than Parkdale would involve extensive study in line with industrial planning in order to forecast a more favourable location for further expansion of railway facilities.

Thus, the whole situation looked rather hopeless. As I say, I have received many letters appealing that something be done. The residents of this area have lived with this grave inconvenience for over a year now. A solution to the problem is readily available a few blocks east of the shunting yards. I trust that the Department of Transport will be able to do something for the residents of this area in the very near future.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am sure that the minister regrets being unable tonight to hear the representations by the hon. member for Hamilton South. Were the minister here I believe he would be inclined to say that responsibility in this matter rests with the management of the Canadian National. His office has brought to the attention of the officials of the C.N.R. the sincere grievance which was raised by the hon. member.

The hon. member did not inform the house or myself this evening whether he had made arrangements to meet with officials of the C.N.R. in Toronto as he was advised he might do in a letter from Mr. R. T. Vaughan, secretary of the C.N.R. on January 7. At that time Mr. Vaughan said:

> There are a number of plans under study at the present time with a view to materially improving our switching operations within the city but it has not been possible as yet to reach any final conclusion.

He went on to invite the hon. member to meet with Mr. J. H. Spicer, area manager, Toronto, or his assistant, Mr. J. R. Burns. This is undoubtedly a serious matter and it has resulted in a great deal of inconvenience to residents of Hamilton South.

I am sure the minister will be pleased to bring this matter strongly once again to the attention of the officials of the C.N.R. In the meantime I might advise the hon. member that officials of the C.N.R. will probably be appearing before the standing committee on transportation and communications of this house and the hon. member is invited by the minister and, of course, by the chairman of the committee, the hon. member for Hamilton West (Mr. Macaluso) to appear and ask the president of the C.N.R. to give a good and sufficient reason for not having acted upon the hon. member's request.

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

HOUSE OF COMMONS

Wednesday, June 22, 1966

The house met at 2.30 p.m.

[*Translation*]

PUBLIC SERVICE

Third report of special joint committee on the public service of Canada—Mr. Richard (Ottawa East).

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

[*English*]

PRIVATE BILLS

REFERENCE OF PETITION TO STANDING COMMITTEE

Mr. Patrick T. Asselin (Richmond-Wolfe) moved:

That the petition of the Baptist General Conference of Canada filed after the time limit for the introduction of private bills specified under standing order 93, be referred to the standing committee on standing orders, together with the 15th report of the clerk of petitions thereon, presented to the house on Thursday, June 16, 1966, for any recommendation the committee deems advisable.

Motion agreed to.

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING DESECRATION OF NATIONAL FLAG

Mr. Ovide Laflamme (Quebec-Montmorency) moved for leave to introduce Bill No. C-209, an act to amend the Criminal Code (desecration of the national flag of Canada).

Some hon. Members: Explain.

Mr. Laflamme: Mr. Speaker, the object of this bill is to bring to the attention of all Canadians the unalterable value of representation in our national flag and to provide that its public alteration, deterioration or destruction, carried out deliberately or for purposes of revolt, protest, hate or disorder, are subversive and cast a reflection on the honour and dignity of the Canadian nation as a whole.

[*English*]

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CORRESPONDENCE WITH SASKATCHEWAN ON HEALTH SERVICES

Question No. 1,087—**Mr. Douglas:**

1. Has the government of Saskatchewan asked permission from the government of Canada to table in the Saskatchewan legislature all correspondence between the Minister of Public Health of the government of Saskatchewan and the government of Canada concerning implementation of the recommendations of the Royal Commission on Health Services or any steps preliminary thereto, since May 22, 1964?

2. If so, on what date was the request made?

3. Has approval for the tabling of this correspondence been granted by the federal government?

4. If so, on what date was approval granted?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes, for certain stated correspondence.

2. March 31, 1965.

3. Yes, except that permission was not granted for the tabling of certain confidential notes.

4. April 6, 1965.

VEHICLES SEIZED BY MOUNTED POLICE

Question No. 1,181—**Mr. Godin:**

1. For the years 1962 and 1963, how many (a) automobiles (b) trucks (c) ships and boats (d) aircraft were seized by the Royal Canadian Mounted Police with regard to (i) customs (ii) narcotics (iii) adulterated alcohol (iv) counterfeit money?

2. What was the total market value of the goods seized?

3. What was the total amount collected from the sale of these goods?

Questions

Hon. L. T. Pennell (Solicitor General): 1.

1962	Customs	Narcotics	Adulterated Alcohol (Excise Act)	Counterfeit Money
Automobiles	551	16	88	0
Trucks	42	2	34	0
Ships and Boats	235	0	1	0
Aircraft	1	0	0	0
1963				
Automobiles	660	3	82	0
Trucks	20	0	30	0
Ships and Boats	187	0	0	0
Aircraft	7	0	0	0

2. The R.C.M.P. do not make a market value assessment of the goods seized, as in a majority of cases the seized goods are not sold but released on penalty. For example, a shipping vessel seized was released to the Quebec government as a lien holder and no revenue was derived from its disposal.

3. Answered by 2.

BILINGUALISM IN R.C.M.P.

Question No. 1,325—**Mr. Allard:**

1. Are any of the senior and junior officers of the Royal Canadian Mounted Police in the province of Quebec bilingual and, if so, what percentage of the total?

2. Outside Quebec and within the same groups are any bilingual and, if so, what percentage?

3. In Ottawa and within the same groups are any bilingual and, if so, what percentage?

4. In the different provinces, in Ottawa, in the Yukon and in the Northwest Territories, are the French speaking members or the R.C.M.P. allowed to write their reports in French if they so wish?

5. Throughout Canada and in the province of Quebec, are French report forms available to the French speaking members of the R.C.M.P. and, if not, is it the intention to issue orders in the near future to make such French forms available?

6. Does the training that the R.C.M.P. give its members include, either on a voluntary or a compulsory basis, the teaching of French or English and, if not, is it the intention of the R.C.M.P. to include in the near future such language courses in the training it gives its members, either on a voluntary or a compulsory basis, and in what parts of Canada?

7. When French speaking Canadians are being interrogated by R.C.M.P. officers, are they interrogated in French (a) in Canada (b) in the province of Quebec and, if not, is it the intention to recognize in the near future the rights of French speaking Canadians in this regard?

[Mr. Godin.]

8. Are the signs on office doors at R.C.M.P. headquarters and the inscriptions on R.C.M.P. envelopes bilingual (a) in Canada (b) in the province of Quebec and, if not, is it the intention to use bilingual signs and inscriptions in the near future?

9. Is it the intention to grant bonuses to bilingual officers in the R.C.M.P. in the near future and, if not, for what reasons?

Hon. L. T. Pennell (Solicitor General): 1. Yes. Senior officers, 100 per cent; Junior officers, 100 per cent.

2. Yes. Senior officers, 12.3 per cent; Junior officers, 9.6 per cent.

3. Yes. Senior officers, 21.4 per cent; Junior officers, 14.3 per cent.

4. The R.C.M.P. will, in the near future, implement a system whereby French speaking members at headquarters, Ottawa, "A" division (part of the province of Ontario), and in the provinces of Quebec and New Brunswick submit reports in their own language. Because the force operates under a provincial contract in the province of New Brunswick, this system will only apply to reports on administrative matters and federal statute cases. It must be remembered that in all the provinces, with the exception of Ontario and Quebec, the R.C.M.P. is under contract as a provincial police force.

The number of French Canadian members serving in the other seven provinces, the Yukon and the Northwest Territories is minimal and, because they are so few in number, it would not be practicable at this time to extend the system to enable those members to report in French. The R.C.M.P. will extend this system of report writing to the other provinces on administrative matters and federal statute cases as soon as it is feasible to do so.

5. The majority of R.C.M.P. forms are already available throughout the force in French. Translation of the remainder is being proceeded with and it is expected all forms will be stocked in both languages in the near future.

6. The training given to its members by the R.C.M.P. does not include the teaching of either the French or English language in the formal sense. The courses are given in the English language and there is at least one French Canadian member at each training center who is specifically responsible for assisting French Canadian recruits to increase their knowledge of the English language.

The R.C.M.P. is, in addition, participating in the language courses that are available at Ottawa, Ontario, through the public service. The R.C.M.P. is well aware of the need and importance of providing instruction for its members in both the English and the French languages and it is currently exploring the possibility of making this type of instruction available to its members across Canada on a voluntary basis.

7. (a) The R.C.M.P. recognizes the right of French Canadians, no matter where they reside in Canada, to be interrogated in their own language, and the force does its utmost to deploy the French speaking members in the areas where their linguistic qualifications will best serve the needs of French-Canadians. In cases where we do not have a qualified member, interpreters are used. (b) In the province of Quebec all R.C.M.P. investigators are bilingual (French-English) and use whichever language is required by the person being interviewed.

8. Yes. The signs on some office doors at the R.C.M.P. Headquarters in Ottawa are bilingual and the remainder are being converted. The signs on office doors at R.C.M.P. headquarters in Quebec are bilingual. The inscriptions on the envelopes used throughout Canada by the R.C.M.P. are bilingual.

9. This matter is under study in accordance with the government policy on bilingualism in the public service as outlined by the Prime Minister in the House of Commons on April 6, 1966.

U.S. BOX CARS IN CANADA AND VICE-VERSA

Question No. 1,519—**Mr. Southam:**

1. How many Canadian Pacific and Canadian National Railway box cars were in use on United States railroads in the months of January, February, March and April 1966?

2. How many box cars from the various United States railways were in use on Canadian railroads in the months of January, February, March and April 1966?

Hon. Judy V. LaMarsh (Secretary of State): 1 and 2. With regard to Canadian Pacific Railway box cars I am informed by the Departments of Agriculture, Finance, Trade and Commerce and Transport as follows: Information not available.

In so far as the Minister of Transport is concerned: The management of Canadian National Railways advises as follows:

1 and 2. The numbers of Canadian National box cars in the United States and of U.S. railroads' box cars on Canadian National lines as of the first of each month are as follows:

	C.N. Box Cars in the U.S.	U.S. Box Cars on the C.N.
January 1st	9869	4893
February 1st	9680	5010
March 1st	11965	5879
April 1st	11763	6071
May 1st	9962	5878

During the months of January to April 1966 inclusive, 58,829 Canadian National owned box cars were shipped to the U.S. and 58,501 Canadian National owned box cars were returned to Canada during the same period.

LOCAL POLICING BY R.C.M.P.

Question No. 1,520—**Mr. Godin:**

1. Can a municipality call on the R.C.M.P. for local policing?

2. If so (a) must it pay a certain amount for such services (b) to whom are such payments made (c) according to what standards is the hiring price of such police agents set (d) is such a municipality required to sign a contract (e) is the payment set by the hour, the day, the week, the month, or the year?

Hon. L. T. Pennell (Solicitor General): 1. Yes, if the municipality has a population not exceeding 15,000 and is located in one of the provinces with which Canada has an agreement to provide the services of the R.C.M.P. for provincial policing.

2. (a) If the municipality has a population under 1,500, it may be policed by the R.C.M.P. under the terms of the policing agreement with the province in which the municipality

is situated and the province is required to pay for the services of the R.C.M.P. If the municipality has a population between 1,500 and 15,000 a contract is entered into between the municipality and Canada and the municipality is required to pay for the services of the R.C.M.P. (b) The Receiver General of Canada. (c) The hiring price is derived from a formula which is based on the cost of operating and maintaining the force during the previous fiscal year. (d) Answered by (a). (e) The year.

PRINCE ALBERT NATIONAL PARK EXPENDITURES

Question No. 1,638—**Mr. Diefenbaker:**

1. What was the total expenditure (exclusive of wages and salaries) expended in the Prince Albert national park in each year since 1963?

2. How much of such expenditure was spent on (a) roads and highways (b) buildings?

3. What are the expected expenditures during the current year?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources):

	1963-64	1964-65	1965-66
1. Operation and maintenance, excluding salaries and wages	168,560	205,549	226,471
Capital	* 422,429	142,590	160,521

*Includes $202,720 for the continuation of construction of scenic road and $87,510 for continuation of marina development at Waskesiu Lake.

	1963-64	1964-65	1965-66
2. (a) Operation and maintenance, excluding salaries and wages	11,096	20,198	28,043
Capital	258,328	9,705	16,571
(b) Operation and maintenance, excluding salaries and wages	17,290	4,141	14,676
Capital	16,699	6,651	24,010

	1966-67
3. Operation and maintenance, excluding salaries and wages	$225,000
Capital	$115,500

FORT PRINCE OF WALES—RESTORATION COST

Question No. 1,671—**Mr. Southam:**

What was the total cost of the restoration of Fort Prince of Wales at Churchill?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. $222,199.

*DISPOSAL OF ARMOURY, LONDON, ONT.

Question No. 1,673—**Mr. Irvine:**

Is it the intention of the government to dispose of the Dundas street armoury, London, Ontario and, if so is it to be turned over to Crown Assets Disposal Corporation, and on what date?

Hon. Léo Cadieux (Associate Minister of National Defence): The answer to this question, Mr. Speaker, is no.

[Mr. Pennell.]

FISHERMEN'S LOANS, MANITOBA

Question No. 1,691—**Mr. Stefanson:**

How many loans were made to fishermen in the province of Manitoba during the past three years under the Fisheries Improvement Loans Act, and what are the number of loans for each year and the total amount of loans?

Hon. Mitchell Sharp (Minister of Finance): Four loans were made to fishermen in the province of Manitoba during the past three years under the Fisheries Improvement Loans Act, as follows:

Fiscal Year Ended	Number	Amount
March 31, 1964	—	—
March 31, 1965	2	$ 7,500
March 31, 1966	2	$ 4,000
Total	4	$11,500

DEPARTMENTAL RECOMMENDATIONS BY PRIME MINISTER

Question No. 1,698—**Mr. Bell (Carleton):**

1. Referring to P.C. 3374 of the 25th day of October, 1935, what use is made of the right of the Prime Minister to make "recommendations in any department" and under what circumstances?

2. To whom are such "recommendations in any department" made, and in what form?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. The right of the Prime Minister to make "recommendations in any department", set out in order in council P.C. 3374 of 25th October, 1935 as a special prerogative of the Prime Minister, is used in cases of emergency or special need when the minister and acting ministers of the department concerned are not available. The right is exercised rarely and normally in routine matters.

2. To the governor general in council, in the form of a submission to the governor in council.

ADVICE TO GOVERNOR GENERAL ON APPOINTMENTS

Question No. 1,699—**Mr. Bell (Carleton):**

1. Referring to P.C. 3374 of the 25th day of October, 1935, what is the accepted technique whereby the Governor General is advised in respect of the appointment of (a) Speaker of the Senate (b) chief justices of all courts (c) senators (d) subcommittees of council (e) treasury board (f) committee (sic) of internal economy, House of Commons (g) deputy heads of departments (h) librarians of parliament (i) crown appointments in both houses of parliament (j) governor general's secretary's staff?

2. How long has this technique been in use?

3. Has any other technique ever been used in respect of any appointments made to these positions?

4. If so, what techniques and on what specific occasions?

5. Has the technique or device of an instrument of advice ever been used in respect of any of these appointments?

6. If so, on what specific occasions?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): 1. By order or minute of council, with the exception of 1.(j), in respect of which the governor is not advised.

2. Since 1 July, 1867.

3. No.

4. See answer to part 3.

5. No.

6. See answer to part 5.

PARKING FACILITIES, PARLIAMENT HILL

Question No. 1,729—**Mr. Godin:**

1. How many parking units are there for area numbers (a) 246 (b) 96 (c) 75 (d) 58?

2. For each aforementioned areas, how many parking permits have been issued?

3. Is the number of parking units for the use of the personnel of the House of Commons adequate?

4. If not, what should be the number of units?

5. Has the government received any suggestions concerning the improvement of parking facilities on Parliament Hill?

6. If so (a) who is responsible for the study of these suggestions (b) on what date was the first suggestion received?

Hon. G. J. McIlraith (Minister of Public Works):

1. Area Number	Number of Parking Units
(a) 246	70
(b) 96	39
(c) 75	21
(d) 58	55

2. Area Number	Number of Parking Permits
(a) 246	136
(b) 96	58
(c) 75	37
(d) 58	137

3. This is a matter of opinion and therefore a factual answer cannot be given.

4. This is a matter of opinion and therefore a factual answer cannot be given.

5. Yes.

6. (a) The Department of Public Works (b) Not known.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CNR PRIVATE RAILWAY CARS

Question No. 1,142—**Mr. Grégoire:**

1. How many private railway cars are owned by the Canadian National Railways?

2. According to regulations, who is entitled to make use of private cars?

3. Since 1958, have any of these cars been used by any (a) federal ministers (b) members of parliament (c) mayors or senior officials (d) wives of any of these persons, and, if so, for what trips and how often in each case?

4. Have any friends of the persons mentioned above been invited to travel in these private cars and, if so, for what particular trips?

5. Since 1958, what personnel have been assigned to these private cars?

6. How much did it cost to build each of these private cars?

7. Since 1958 (a) how much did it cost to repair and maintain these cars each year (b) what is the yearly cost of food and other items such as drinks?

8. Since 1958, what has been the total yearly cost of maintenance, repair, food, drinks, personnel, including various expenses, with regard to all these private cars?

Return tabled.

AUDIT OF CROWN AGENCIES BY AUDITOR GENERAL

Question No. 1,301—**Mr. Caouette:**

Does the government intend to entrust the audit of the crown agencies accounts to the Auditor General of Canada in the near future, and (a) if so, when (b) if not, for what reason?

Return tabled.

LOANS TO FOREIGN COUNTRIES

Question No. 1,392—**Mr. Godin:**

1. During the last five years, has the Government of Canada granted any loans to foreign countries?

2. If so, in each case (a) to what country was the loan granted (b) what is the amount of the loan (c) what is the interest rate charged (d) what is the due date?

Return tabled.

*PRICE OF QUINIDINE SULPHATE

Question No. 1,647—**Mr. Haidasz:**

1. Is the government aware of an increase at the retail level in Toronto from $4 per hundred tablets to $19 per hundred tablets of the cardiac drug, quinidine sulphate?

2. If so, what is the explanation for this increase?

3. What pharmaceutical companies supply Canadian patients with quinidine sulphate?

4. What countries are the major suppliers of the basic material from which quinidine sulphate is made?

5. Is there a shortage of quinidine sulphate in Canada today?

6. Have measures been taken by the government to ensure the supply and regulate the price of quinidine sulphate and, if so, what are they?

Return tabled.

*OLD AGE SECURITY AND FAMILY ALLOWANCE PAYMENTS

Question No. 1,683—**Mr. Irvine:**

1. What was the total amount, by provinces, of old age security paid in each of the years 1955 to 1965 inclusive?

2. What was the total amount, by provinces, of family allowances paid in each of the years 1955 to 1965 inclusive?

Return tabled.

[Mr. Grégoire.]

[*Translation*]

Mr. Caouette: Mr. Speaker, on a point of order. Is the parliamentary secretary in a position to give us an approximate date on which the government might reply to Question No. 910 that has been on the order paper since March 1? It has been quite some time and we have nothing yet to indicate when a reply will be given.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to call to the attention of the Secretary of State the fact that my starred Question No. 1,283 of April 6 and that another starred Question No. 1,346, on the order paper since April 22, and that another question, No. 1,354 also dated April 26, and finally another question No. 1,385 dated April 28 are still unanswered.

I should like to have answers to these questions. It seems to me they are quite simple and could be easily answered.

[*English*]

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, notice of motion for papers No. 136 is acceptable to the government subject to the agreement of the government of the province of Quebec.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary is it the pleasure of the house that notice of motion No. 136 shall be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Stewart: Mr. Speaker, I ask that notices of motion No. 131, 141 and 142 be called, and that the remaining notices of motion be allowed to stand.

EXEMPTION FROM U.S. COPYRIGHT ACT

Motion No. 131—**Mr. Knowles:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any comunications, dated since April, 1963, exchanged between the government of Canada and the government of the United States concerning the abolition of the manufacturing clause of the United States Copyright Act or the exempting of Canada from its provisions.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in accordance with

established practice, before diplomatic correspondence of this kind can be tabled it is the custom to ask the concurrence of the other government involved. That concurrence has now been obtained. If the house is prepared to accept the motion, the correspondence will be tabled forthwith.

Mr. Speaker: Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the house that notice of motion No. 131 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

WINTER WORKS, ST. EPHREM DE BEAUCE, QUE.

Motion No. 136—**Mr. Langlois (Mégantic):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, letters, telegrams or documents exchanged between the government of Quebec and the Minister of National Revenue or his department and the Minister of Labour or his department, with regard to winter works at St. Ephrem de Beauce, between January 1, 1960, and January 1, 1966, inclusively.

Motion agreed to.

PERSONS SENTENCED TO PREVENTIVE DETENTION

Motion No. 141—**Mr. Knowles (for Mr. Orlikow):**

That an order of the house do issue for a copy of the names, by province, of all persons sentenced to preventative detention under section 660 of the Criminal Code in the past ten years; where, when and by whom they were sentenced; whether they were represented by counsel and by whom; the past records of all those sentenced; when the sentence was imposed following their conviction as habitual criminals; by whom they were sentenced and the location of the people concerned serving these sentences.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, I understand that the Solicitor General has discussed this motion with the hon. member for Winnipeg North and that he is satisfied that the names of the persons sentenced, when and by whom they were sentenced, and whether they were represented by counsel be excepted from this motion. Subject to these exceptions the motion is acceptable.

Mr. Speaker: Subject to the reservations or conditions expressed by the minister is it the pleasure of the house that notice of motion No. 141 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

U.S. CONVICTION OF JOHN C. DOYLE

Motion No. 142—**Mr. Woolliams:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all letters and correspondence since September 1, 1965, which have passed between the Department or the Minister of Justice and the United States department of Justice in connection with the conviction for fraud in the United States of John C. Doyle, Canadian Javelin Limited, and his failure to serve the sentence imposed upon him.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, there is no correspondence between the Department of Justice or the Minister of Justice and the United States Department of Justice in connection with the subject matter of the motion. Under these circumstances I wonder whether the hon. member would not withdraw the motion.

Mr. Speaker: Shall the motion be dropped?

Mr. Woolliams: That is what I am thinking about.

[*Later:*]

Mr. Speaker: Do I understand that the hon. member for Bow River is giving some thought to motion No. 142 or is it dropped?

Mr. Woolliams: If there is no correspondence let the minister report accordingly.

Mr. Speaker: Is the motion dropped? Withdrawn?

Mr. Woolliams: If there is no further correspondence let the hon. gentleman report accordingly. I am not withdrawing the motion.

Mr. McIlraith: Agreed.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Motion agreed to.

CORRESPONDENCE WITH UNEMPLOYMENT INSURANCE COMMISSION, ST. EPHREM DE BEAUCE WINTER WORKS

Motion No. 138—**Mr. Langlois (Mégantic):**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or documents exchanged between the Unemployment Insurance

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Commission in St. Georges de Beauce and the Minister of Labour or his department, the Minister of National Revenue or his department, and the Minister of Finance or his department, with regard to winter works in St. Ephrem de Beauce between January 1, 1960, and January 1, 1966, inclusively.

Hon. J. R. Nicholson (Minister of Labour): This was called on an earlier occasion but was stood down because of the absence from the chamber at that particular moment of the hon. member for Mégantic. I should like to say that the correspondence, telegrams and other documents referred to in the motion are communications between the Unemployment Insurance Commission and my department or myself, the Minister of Labour, and another minister. They are all privileged documents, and in the circumstances I would respectfully ask the hon. member to withdraw the motion.

Mr. Speaker: Is the motion dropped?

Order discharged and motion withdrawn.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, can the Minister of Finance tell me how much longer I shall have to wait before the condition will be met which will permit notice of motion No. 72 to be passed?

Hon. Mitchell Sharp (Minister of Finance): I have not had any recent communication from the chairman of the Carter commission, so I am not in a position to answer that question at the moment. We are trying to get the report as quickly as possible. However, we have a problem about the translation which I mentioned in the house some days ago, and we have not yet made up our minds whether we can release the report in the English language only.

BUSINESS OF THE HOUSE

INQUIRY AS TO SUMMER RECESS AND FURTHER LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): This is about the time of the average session when the Leader of the Opposition asks the Prime Minister whether the government has in mind a summer adjournment. At the same time the Prime Minister sets out in some detail the further legislation, in addition to that on the order paper, which it is the intention of the government to bring before the house.

Can the Prime Minister give the house some general ideas in this connection? I know he is just as anxious as can be to answer the question. I await his reply with interest.

[Mr. Langlois (Mégantic).]

Right Hon. L. B. Pearson (Prime Minister): We have been making such fine progress lately, due of course almost entirely to the co-operation of hon. gentlemen opposite, that I think we can look forward to a summer adjournment at a reasonably early date. I would hope that by the beginning of next week, perhaps, we would be able to place before the house what we hope to achieve before that summer adjournment.

Mr. Diefenbaker: May I ask the Prime Minister then whether, in view of the fact that so large a percentage of the cabinet was in favour of the abolition of capital punishment in the vote that took place, and in view of the considerable number of cases which were pending at the time of that vote, the government intends to bring in any amendments to the Criminal Code regarding this subject, at the present session?

Mr. Pearson: Certainly not at this particular time, Mr. Speaker, and I am not now in a position to say whether such an amendment or a government resolution on this subject should be brought forward at a later date.

Mr. Diefenbaker: Is consideration being given to this matter?

Mr. Pearson: Well, Mr. Speaker, I think we in the government have to give consideration to this important matter in the light of the discussions and the decisions reached or not reached by the house in the previous debate, but I am not in a position to add to that now.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary with respect to the first part of the question just asked by the Leader of the Opposition, may I ask the Prime Minister whether medicare is still on the list of items to be dealt with before a summer adjournment.

Mr. Pearson: Mr. Speaker, I hope the medicare resolution will be before the house next week.

LABOUR CONDITIONS

REFUSAL OF B.C. LONGSHOREMEN TO WORK ON VICTORIA DAY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, last Friday I directed a question to the Minister of Labour with reference to the ten longshoremen in Vancouver who have now been sentenced to serve terms in prison for insisting upon their right to a statutory holiday guaranteed to them under the Canada

labour code, and the minister promised to look into this matter. I would like to ask him what action the Department of Labour and the government intend to take with respect to the right of these men to enjoy the privilege set out under the Canada labour code.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, unfortunately I cannot accept any of the premises contained in the earlier part of the question.

Some hon. Members: Hear, hear.

Mr. Nicholson: I do not want to quibble, but in the first place the men in question were not sentenced to terms in prison. Fines were imposed by the court, with the alternative of a jail term. With regard to the second part of the premise to the question, I cannot accept it either. There was a serious question of law involved at one stage and I stated that on that particular phase I felt my department and the Department of Justice should have the benefit of the reasons for judgment of Mr. Justice Verchere who dealt with the matter.

Just before coming into the house I was advised that the reasons for judgment in this case were given orally. They have now been transcribed and sent to the judge for revision, and I am hoping to receive a copy of them tomorrow.

Mr. Douglas: As a supplementary question may I ask the minister if his department is looking into the question to see whether the courts have the legal right to issue an injunction ordering men to work on a day which is a holiday under the Canada labour code?

Mr. Speaker: Order, please. The hon. member is now asking for a legal opinion, or legal interpretation of a statute, and his question is out of order.

Mr. Douglas: On a point of order, Mr. Speaker, I did not ask the minister for a legal opinion. I asked him if his department is looking into or would it look into the legal aspects of the authority of the courts to issue an injunction denying men a holiday and compelling them to work on a day which is a statutory holiday.

Mr. Speaker: Order, please. I do not have the legal mind which would permit me to distinguish between the two aspects of the question.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I would like to address a supplementary question to the right hon. Prime Minister and ask him whether he has any further information about the telegram concerning the matter raised in the question directed to the Minister of Labour, which was sent to Her Majesty the Queen asking her to give grace in this case.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker; no such telegram has been received by the government. I have made inquiries and no such telegram addressed to Her Majesty the Queen has been received at Rideau Hall. The press statement which I read on the matter indicated that such a telegram would be sent, but did not indicate it had been sent.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

QUEBEC—REQUEST FOR ALL DIRECT TAXES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the right hon. Prime Minister?

During the election campaign the new premier of the province of Quebec said many times—not only promising, but pledging his word—that he would come to Ottawa to get back 100 per cent of direct taxes.

Are the right hon. Prime Minister and his government presently preparing to receive the premier of the province of Quebec who will come to get back 100 per cent of direct taxes?

Mr. Speaker: This question is hypothetical.

[*English*]

EXTERNAL AFFAIRS

POSSIBLE VISIT TO CANADA BY KING HUSSEIN

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the fact that King Hussein's visit to the United States is the second major visit of a Mediterranean area head of state, would the minister tell us whether he is likely to visit Canada as well?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker.

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HIGHWAY SAFETY

ESTABLISHMENT OF NATIONAL ACCIDENT RESEARCH CENTRE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Industry. I base the question on a recommendation unanimously adopted and made public yesterday here in Ottawa after a national conference on highway and automobile safety. Will the government now take immediate action to establish a national accident prevention research centre, in view of that recommendation?

Mr. Speaker: Order, please. It seems to me this is a question of a very general nature concerning governmental policy. I wonder whether it is the type of question which should be asked at this time.

Mr. Grafftey: I just thought this would be a good question to ask before the July 1 week end.

TRADE

WHEAT—INQUIRY AS TO PRICE ON SALE TO RUSSIA

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct a question to the Minister of Finance under whose jurisdiction the Canadian Wheat Board comes. Could the minister inform the house regarding the price per bushel for wheat under the three year sales agreement with Russia? Is it on a three year basis, or will the price be renegotiated at the end of each year?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I clearly answered a similar question the other day after announcing the conclusion of the negotiations between the Canadian Wheat Board and Exportkhleb. As the hon. member will see if he looks at *Hansard,* at that time I made it quite clear that the price was fixed only for the first year of the contract. Subsequent years are subject to negotiation.

Mr. Rapp: Good.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance. Was the minister quoted correctly in yesterday's *Globe and Mail* by Mr. Geoffrey Stevens when he stated that the average per bushel price at seaboard for Canadian wheat works out at 2.38 per bushel for the first year of the three year Russian wheat deal?

[Mr. Martin (Essex East).]

Mr. Speaker: Order. The hon. member knows he cannot ask whether a press statement is correct or incorrect.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The hon. member for Moose Mountain has asked a question in respect of which the house is entitled to information. The house did not receive this information the other day. Following up the question asked by the hon. member for Moose Mountain, I should like to ask what is the price per bushel for the coming year, and at what point of delivery does the price apply.

Mr. Sharp: Mr. Speaker, as the house is well aware it is not customary for the minister responsible for the Canadian Wheat Board to give the prices at which the Canadian Wheat Board sells wheat to its various customers. That was the practice while the government of the right hon. gentleman was in power. These prices were never given, and I do not intend to break this rule.

The Canadian Wheat Board sells at the same price on the same day to every customer. It is sold at the daily price on the day the negotiations are completed.

Mr. Diefenbaker: Did the minister give a statement to any member of the press, that the price was $2.38, or was that another leak from the department by somebody under his direction?

Mr. Sharp: I am sure the right hon. gentleman would not suggest that I would say anything outside this house that I am not prepared to say inside the house. I gave no such information to the press, nor did I authorize anyone to give the information. The answer can be obtained, however, by a person who is as good at mathematics as my right hon. friend, by looking at the prices which prevailed at that time and by adding the freight rate, to arrive at an approximate price.

Mr. Woolliams: In view of the minister's last statement, is the price, worked out by his mathematics, $2.38?

Mr. Pickersgill: It is a simple question. Work it out yourself.

Mr. Speaker: The hon. member is asking for statistical information.

Mr. Diefenbaker: We want the truth and do not get it.

[*Later:*]

Mr. H. A. Olson (Medicine Hat): I should like to address a question to the Minister of Finance. In reply to a question put to the minister the other day respecting the flour content in the newest Russian wheat deal, I think he said he might be in a position to give information on this point in a few days. I wonder whether he is now in a position to indicate to the house the amount of the flour content in the first one year firm contract of that wheat deal.

Mr. Sharp: I am not in a position to reply to this question today, but I expect to be able to do so very soon.

Mr. Thomas M. Bell (Saint John-Albert): Can the minister tell me whether some of this flour will be going to Cuba, and whether it will pass through Saint John or Halifax?

Mr. Sharp: I will attempt to answer this question at the same time as I answer the previous one.

EXTERNAL AFFAIRS

VISITS TO OTTAWA BY U.S. AND U.K. OFFICIALS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Is the minister now in a position to satisfy the curiosity of members of the house concerning the large number of visits back and forth by senior officials such as Mr. Harriman and now Mr. Bundy from Washington, and indeed a member of the United Kingdom cabinet? Could the minister throw any light on these comings and goings?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure my hon. friend, who has had experience in the Department of External Affairs, will realize that comings and goings are very natural to any diplomatic effort.

I should like to say that we did have a discussion yesterday with Mr. Ronning, as my friend mentioned. The discussion which took place between the Prime Minister and Mr. Ronning was mentioned by me on Monday. Mr. Ronning visited Hanoi from June 14 to 18. This was the second visit Mr. Ronning has undertaken to Hanoi on the initiative and instructions of the Canadian government. His first visit, as the house will recall, took place last March.

Mr. Ronning was well received in the North Vietnamese capital, and he had the opportunity for wide ranging discussions with senior personalities of the North Vietnamese government.

The house will appreciate that it is neither customary nor prudent to disclose publicly the content of discussions which were held on a basis of confidence by mutual agreement. I can say, however, that Mr. Ronning's assignment was conceived with two related objectives in mind; first, to see whether a basis could be established on which the parties primarily concerned in the Viet Nam conflict might be enabled to enter into direct informal discussions; and second, to continue to explore the attitudes of interested governments on the various elements which might in due course constitute the basis for a peaceful solution of the Viet Nam situation.

I think it would be wrong to try at this stage to assess the results of this visit in one way or another.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a point of order. We know that the question period is only half an hour on Wednesdays. The Minister of External Affairs is making a statement which he could have made on motions, and giving the opposition the opportunity to ask questions during the half hour available to us. Moreover, the minister does not answer at all the question put to him; he takes advantage of the circumstance, while he is on his feet, to make a statement he might have made earlier.

Mr. Speaker, as the minister's statement is important, I would ask the unanimous agreement of the house to revert to motions, so that we can comment on the minister's statement and still have the time to put our questions.

Mr. Speaker: The point of order made by the hon. member for Lapointe is nearly as long as the minister's statement. The members know that they put questions to the minister at their own risk.

[*English*]

Mr. Martin (Essex East): Mr. Speaker, I should like to complete the statement.

Mr. Starr: Mr. Speaker, I rise on a point of order. In view of the fact we only have a 30

minute question period today, surely the minister should ask leave to revert to motions as a result of the request of the hon. member for Lapointe. If he does not I am sure that hon. member will not vote for him any more.

Mr. Martin (Essex East): Mr. Speaker, I would simply like to—

Mr. Speaker: Order, please. I am sure that hon. members and ministers of the government realize that on a day such as this replies to questions should be as short and succinct as possible. I am sure the minister will want to keep that in mind in making his reply.

Mr. Martin (Essex East): Mr. Speaker, I should like to point out that this matter is perhaps as important as any we have dealt with this session.

An hon. Member: Revert to motions.

Mr. Martin (Essex East): I was asked a question about the nature of these discussions and I have given an answer. I have no wish to impose a further reply on the house in respect of a matter which I think is recognized in all parties and throughout the country as being perhaps the most important facing us at this time in the world.

Some hon. Members: Hear, hear.

Mr. Nesbitt: Mr. Speaker, while I admit that the reply of the minister was, as usual, very interesting, it was not a reply in response to my question. I asked the minister whether he could throw some light on the comings and goings of Messrs. Bundy and Harriman. I was not inquiring about the visit of Mr. Ronning. While his reply about Mr. Ronning was very interesting, and I am sure we were all glad to hear it, I asked the minister about the visits of Mr. Bundy and Mr. Harriman. Will the minister reply to that question.

Mr. Herridge: Mr. Speaker, I have a supplementary question. In view of the importance of this question—and I think the minister is correct in this regard—will the house give him permission to conclude his statement.

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question to that asked by the hon. member for Oxford. In view of a story that appeared in the morning press, will the minister assure the house that Mr. Ronning's visit to Hanoi was solely at the request of the Canadian government; that he carried proposals or suggestions to the Hanoi administration which emanated from Canada, and that the United States—

Some hon. Members: Oh, oh.

Mr. Lewis: Can he assure the house that Mr. Ronning was not carrying suggestions emanating from somewhere else. I am giving the minister an opportunity to clear this up by stating that he was not carrying instructions from anyone else. I hope the minister can answer my question.

Mr. Speaker: Order, please. The question as posed is certainly argumentative. I recognize the hon. member for Lapointe.

Mr. Lewis: Mr. Speaker, may I rephrase my question?

Some hon. Members: Order.

Mr. Lewis: I did not intend—

Mr. Speaker: Order, please. Perhaps the hon. member will be given an opportunity to ask his question again later on. The Chair has recognized the hon. member for Lapointe.

[*Later:*]

Mr. Lewis: Mr. Speaker, I did not intend my question to be argumentative. I suggested with respect that the minister might be given an opportunity to make a statement which would be favourable to Canada and to peace. I repeat my question. In view of a story appearing in the press, will the minister assure the house that Mr. Ronning went to Hanoi and met the administration there at the behest only of Canada, with suggestions emanating from Canada?

Mr. Speaker: Order, please. The second question is the same as the first and is out of order, as the first one was.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question. I wonder whether the Secretary of State for External Affairs will tell the house, to use his language, if the related objectives of Mr. Ronning's visit were realized.

Mr. Martin (Essex East): Mr. Speaker, I was dealing with this subject when the suggestion was made that the statement was too extended.

It would be wrong to try at this stage to assess the results of the Ronning visit in one way or another. I have made it clear to the house that this visit represents only one

phase in what is a continuing effort on our part to see whether some mutually acceptable basis for a peaceful settlement of the conflict can be established. We are under no illusion about the magnitude of the obstacles. On the other hand, we are in no way deterred from persisting in the process of patient exploration of positions, of opening channels and establishing contacts. That is what I think the Canadian people want this government to do.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, there was one pertinent portion of the statement read by the minister, the reference to the pilgrimage to Hanoi as one of the steps the Canadian government is taking in order to bring about the desirable objectives to which the minister refers. What are the other steps?

Mr. Martin (Essex East): Mr. Speaker, I should like simply to say that I have been in this house as long as any member here.

Mr. Diefenbaker: Even longer.

Mr. Martin (Essex East): Yes, even longer, as my right hon. friend suggests. I can recall no occasion, involving Canadian relations with other countries and the peace of the world, when there has not been on the part of every member of this house the fullest understanding of the position in which the government must find itself in dealing with this kind of matter. I say that on my responsibility, and I am sure I would be borne out in this by the Prime Minister who has shared with me the discussions we have had during the past two days. I am sure the replies I have given today and yesterday are the replies which my right hon. friend would make, given the same responsibilities.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I can immediately assure the hon. gentleman that I would not, because we would at least give a reply instead of an exhibition of verbosity.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Let me ask the hon. gentleman this question. Have we gone back to the days of Mackenzie King, when we could not get any information in parliament regarding foreign affairs?

Mr. Speaker: Order, please.

[*Translation*]

FINANCE

QUEBEC—INQUIRY AS TO FARM IMPROVEMENT LOANS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Finance, which arises out of a press release issued by the Department of Finance on June 16, 1966, concerning loans made under the Farm Loan Act, in which it is seen that out of a total of 46,285 loans, only 873 were made in the province of Quebec.

My question is this, Mr. Speaker. I wonder whether Liberal members in that corner could not keep a little quiet. Can the Minister of Finance advise whether his department will investigate the reason why the province of Quebec gets about 1 per cent of federal loans for farm improvement purposes?

Mr. Speaker: That question should be placed on the order paper.

[*English*]

ADMINISTRATION OF JUSTICE

MANDATORY BREATHALIZER TESTS—MOTOR VEHICLE EXHAUST CONTROLS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I want to direct my question to the Prime Minister. Does the government plan on taking early action on the recommendations made yesterday by the special 50 member committee of government officials and safety experts, especially in respect of making breathalizer tests mandatory and the requiring of pollution control devices for motor vehicle exhaust systems?

Mr. Speaker: Order, please. This question should be placed on the order paper.

HEALTH AND WELFARE

REQUEST FOR REPORT ON NEW CANCER TREATMENT

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct a very brief question to the Minister of National Health and Welfare, asking him whether he is now prepared to disclose the contents of the report on the Mirkovich purported cancer cure, since he has now the report before him and has had some considerable time to review and consider its contents.

Inquiries of the Ministry

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the minister of health for the province of Ontario will be making a statement tomorrow on this subject, and by arrangement with that minister I intend to make a statement dealing with this matter at the same time.

SHIPPING

STATEMENT BY S.I.U. RESPECTING SAFETY AT SEA

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Transport, asking him whether he has any comment to make about the declaration made today in Montreal by the Seafarers' International Union to the effect that the Canadian government has been lax and has abandoned its responsibilities in the field of safety in relation to the lives of sailors at sea because of a question of manning.

Mr. Speaker: Order, please. I do not think this question is acceptable.

Mr. Howard: On a point of order, Mr. Speaker, partly to seek some information. Did I understand you to say that my question is unacceptable.

Mr. Speaker: I should have said it is out of order.

Mr. Howard: Why, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Howard: It is out of order because Jack does not want to answer it.

Mr. Speaker: Order, please.

LABOUR CONDITIONS

MARITIMES—REQUEST FOR INCLUSION OF CERTAIN AREAS IN DESIGNATED PROGRAM

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I wish to direct a question to the Minister of Industry. In view of the continuing submissions coming from the Atlantic provinces for the inclusion of the growth areas of Halifax, Dartmouth, Saint John and Fredericton in the designated area program, is the minister giving consideration to altering the present stand of the government in this regard?

[Mr. Forrestall.]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, no new information has come to my attention during the course of the past month.

Mr. Coates: Mr. Speaker, I have a supplementary question. Has the minister's attention been drawn to the unanimous resolution of the legislative assembly of the province of New Brunswick urging the government to alter its stand and include the whole Atlantic area in the designated area program?

Mr. Drury: I think this question was asked and replied to a few days ago.

Mr. Coates: But can the minister indicate to me whether his attention has been drawn—

Mr. Speaker: Order, please.

Mr. T. C. Douglas (Burnaby Coquitlam): Mine is also a supplementary question, Mr. Speaker. I wish to ask the Minister of Industry whether he has received any report from the Atlantic Development Board recommending the inclusion of these cities in the Atlantic provinces in the designated areas.

Mr. Drury: To my knowledge no recommendation from the Atlantic Development Board has been received in this respect.

Mr. Coates: I wish to put a supplementary question to the Prime Minister, Mr. Speaker. Can the Prime Minister indicate whether he has received the unanimous resolution of the legislative assembly of the province of New Brunswick urging that the government—

Mr. Speaker: Order, please. I believe that asking whether the Prime Minister or a member of his government has received a representation does not constitute an urgent question.

POINT EDWARD NAVAL BASE—PAYMENT OF UNEMPLOYMENT INSURANCE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I wish to address this question to the Prime Minister (Mr. Pearson). Will the government pay unemployment compensation to the workers who were laid off at the Point Edward naval base, in view of the fact that the jobs promised to them were not provided? It was indicated that the dock workers in Quebec would receive this compensation.

Mr. Speaker: Order. This appears to be a question of general policy, and I suggest to the hon. member that it should not be asked at this time.

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Speaker. In its statement of policy the government has already announced its intention to pay unemployment compensation to dock workers in Quebec. I only ask that the same rights and privileges be granted to the workers laid off at the Point Edward naval base. It should be a simple matter for the Prime Minister to answer with a yes or no.

Mr. Woolliams: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. I will call orders of the day, after which hon. members may rise on points of order.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. I raised this point of order previously but did not insist on it, as I was unwilling to cut into the question period. My point is in reference to answers given by the Minister of Finance regarding the price of wheat. First of all he said the information was confidential and privileged and that it was against government policy to divulge it. In his second answer he said that anyone with any knowledge of elementary mathematics could figure it out. These two answers are contradictory. Either the price of wheat is a confidential matter or he is giving us wrong information or withholding it.

Mr. Speaker: Order, please. The hon. member has not given me a reference to the standing order, and I cannot accept his question.

Mr. MacInnis (Cape Breton South): On a point of order, Mr. Speaker. The question period has expired for the simple reason that the Minister of External Affairs has taken advantage of us by using up the time allowed. Give me some time, Mr. Speaker, and I will point out to you when he has done so.

In answer to a question put by the member for Oxford the minister gave information which was not asked for, and the house permitted a long and detailed answer to a question which was supplementary. In this way the Secretary of State for External Affairs used up the valuable time of this house during which hon. members wished to deal with questions pertaining to the welfare of the workers in their own ridings. It was an abuse on the part of the Secretary of State for External Affairs to take this time away from the hon. members on this side of the house.

Mr. Speaker: Order, please. I ask for co-operation from hon. members. I do not think the hon. member for Cape Breton South has a valid point of order, any more than the hon. member for Bow River.

Mr. MacInnis (Cape Breton South): Mr. Speaker—

Mr. Speaker: Order, please. The orders of the day have been called.

Mr. Aiken: I rise on a point of order, Mr. Speaker—

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF LABOUR

1. General administration, including grants as detailed in the estimates; the expenses of the International Labour Conferences and the promotion of labour-management co-operation, $4,569,100.

The Chairman: When we rose at our last sitting we were discussing Vote No. 1, to be found on page 200 of the blue book.

Mr. Aiken: I do not know why Mr. Speaker left the chair—

The Chairman: Order, please. This is not the business of the committee.

Mr. Aiken: I will make it the business of the committee, Mr. Chairman.

Some hon. Members: Oh, oh.

Mr. Aiken: I am prepared to make a motion, Mr. Chairman. I move that the committee now rise and report progress.

The Chairman: Is the committee ready for the question?

• (3:30 p.m.)

Motion (Mr. Aiken) negatived: Yeas, 63; nays, 90.

The Chairman: I declare the motion lost. The hon. member for York South.

Mr. Lewis: I rise, Mr. Chairman, to speak on the labour estimates—

Mr. Starr: I rise on a point of order, Mr. Chairman. The spokesman for our party, the official opposition in the House of Commons, has risen and has not been recognized. He is on his feet.

The Chairman: Order, please.

Mr. Lewis: I will be glad to yield the floor to the hon. member.

Mr. Starr: I do not believe that is necessary. I believe it is up to you, Mr. Chairman, to recognize him and I ask you to do so.

The Chairman: The hon. member for York South.

Mr. Lewis: I will yield the floor.

Mr. Ricard: You are an arrogant bunch anyway.

The Chairman: Order, please. Surely the committee realizes that this is not the first round of debate on this particular vote. There is no time limit on this debate as there has been on some of the resolutions we have considered. I saw the hon. member for York South rise and the Chair has recognized him. Again I recognize the hon. member for York South.

Mr. Lewis: Mr. Chairman—

Mr. MacInnis (Cape Breton South): You are sure it is not because Jack Pickersgill saw that Mr. Aiken was the first one to rise?

Mr. Lewis: I do not believe the business of the house is going to be advanced by the kind of resentment that apparently has been aroused. I am not saying this critically. I would, subject of course to the instructions of the Chair, still be willing to yield the floor to the hon. member if that will restore peace in the house.

Some hon. Members: Hear, hear.

Mr. Ricard: Don't play it so saintly.

Mr. Régimbal: Mr. Chairman, I will respect the judgment of the Chair and the recognition of the hon. member.

Mr. Lewis: Alphonse will now speak with Gaston's permission.

I rise to speak on the first vote of the labour estimates because I respectfully suggest that there are matters in the labour field in Canada which need emphasis. In addition, there are matters respecting labour legislation in Canada which need to be stated here and certain actions and courses taken by employers need emphasis also at this time. I want to refer first of all to something members of this party have said on a number of occasions, that the basic reasons for labour unrest in Canada today appear in the main to be two. The first is the rise in the cost of living in the last couple of years and the second is the feeling of fear that workers in Canada have about the security of their jobs resulting from the technological changes known as automation.

[The Chairman.]

I think it is unfair to blame unions and workers for insisting on improvements in their standard of living and for insisting on improvements in their wages and fringe benefits in view of this situation. It is usual for many people in Canada to blame labour in major part, if not in total, for the increases in prices. It is my submission that every study which has been made of the role of wages in the cost of living has shown that increased wages are not responsible for the increased prices in this country. In addition, every study which has been made has emphasized that it is inaccurate to suggest that the rise in wages in Canada has been responsible for making Canada uncompetitive in foreign markets, and that the contrary is true.

First of all, Mr. Chairman, without taking a great deal of time, let me point out that every study made by the Economic Council and by the research men in the minister's department indicates that there has been a very huge increase in productivity per man hours of labour in Canada since the end of the second world war. These studies show, for example, that from the 1935-39 period immediately before the second world war to 1963 there was an increase in the labour cost per unit output in manufacturing of 135.4 per cent. When that is adjusted to take into account the reduction in exchange rates it comes down to about 118.3 per cent.

From 1946 to 1953 the increase in cost per unit went up only by 50 per cent. On the other hand, from 1960 to 1963 the percentage trend was downward and there was an actual reduction in labour costs per unit of 1.4 per cent. This reduction was around 11.3 per cent if one makes the adjustment because of the change in the exchange rate. The fact is that labour costs per unit of output in Canada dropped very considerably between 1960 and 1963. The Economic Council, which made these calculations and found that the labour cost per unit of output in manufacturing decreased, as I have said, by 11.3 per cent from 1960 to 1963, drew this conclusion:

> Canadian unit labour costs in manufacturing over recent years have also risen substantially less than in most other leading industrially advanced nations.

• (3:40 p.m.)

After the Economic Council had pointed out the reduction in the Canadian exchange

rate and the effect which it had it went on to say in its report:

> Another important factor has been the relatively much smaller average increases in wages in Canada than have recently been occurring in most European countries.

As a matter of fact, Mr. Chairman, the United States is the only country in which the increase in wages from 1957 to 1964 was about equal to that in Canada. If I remember correctly, I think that on the average the increase was 4.4 per cent annually in Canada and about 4.3 per cent in the United States. In the other countries included in the various studies to which I have referred we find that the increase in wages in the United Kingdom was an average of 5.9 per cent over the same period, in Sweden 8.8 per cent, in The Netherlands 10 per cent, in France 11.1 per cent, in Italy 11.9 per cent, in Germany 12 per cent and in Japan 17.2 per cent. Among these nations are, of course, most of our competitors in the international commodity market. In all cases the rate of increase in wages has been substantially more than that in Canada, in some instances three or four times the Canadian increase over the same period.

Similarly, Mr. Chairman, if you look at the increase in the per unit cost as calculated by the United States department of commerce, according to the statistics which they have published, there is an equally revealing state of affairs as far as the Canadian situation is concerned. The percentage increase in labour cost per unit of output in manufacturing from 1957 to 1964 in Canada was 3 per cent while it was 5 per cent in the United States, 42 per cent in France, 23 per cent in Germany, 11 per cent in Japan, 26 per cent in The Netherlands, 16 per cent in Sweden, 16 per cent in the United Kingdom and 17 per cent in Italy. There again the increase in the labour cost per unit of output in manufacturing in Canada was the lowest among these countries which I have cited. In many cases their increase was five and even ten times as high as the increase in unit labour cost in this country.

I would remind the members of the committee, and through the members of the committee I remind my fellow citizens of Canada, that the per unit cost of labour is what matters, not the size of the increase in wages. If it is possible to increase wages and at the same time to introduce efficiency which lowers the per unit cost or avoids an excessive increase, then, Mr. Chairman, you have the happiest of situations. The working people benefit from the advances which are made. Their standard of living is improved and at the same time the economic position of Canada remains in the preferred position in which it was before the increase in the wage rate.

Therefore, Mr. Chairman, I suggest we should realize when we discuss labour matters in this country that the arguments against labour and against the unions to the effect that they are pricing Canada out of the markets of the world are sheer propaganda. It may be true in one or two industries; I cannot say I imagine there are exceptions to the general rule; there always are. But by and large, in Canada's manufacturing industries as a whole wages have not, if I remember correctly the way the Economic Council puts it, been the causative factor in the increase in prices in this country.

I suggest, as was suggested previously, that the real causes of price increases in Canada have been on the one hand the administered price policies of many corporations and on the other the very large, almost phenomenal increase in the rate of profits, both before and after taxes, particularly of the large industries.

I set that, Mr. Chairman, as the starting point for a discussion of labour matters in Canada, and I plead with the members of this committee and with the people of Canada not to divide the country by suggesting that labour is being unreasonable and is pushing prices up. This is no more fair or just than to say that when the farmers of Canada do get a little bit more occasionally they are responsible for the increase in the cost of food, one of the major causes of the increase in the cost of living. In fact the increase in the cost of food is mainly due to the food processors and food packing industry, not to the primary producers.

The workers in the plants and in the mines are the primary industrial producers in the country. Like the farmers, and together with the farmers, they are in our view the victims of the same squeeze between prices and costs, of the same administered price policies and of the same concentration of wealth and power.

Another point frequently pressed in this country, as well as in this house on occasion, is that the workers continue to have their right to strike and to interfere with the economy of the country, etc., ect. Let me say first without any apology that I consider the right of people to say that they will not work

for certain wages or under certain working conditions to be a basic right in a democratic country. There may be some exceptions to this in, for example, defence industries or where security matters are involved. But when the time comes when we prevent by law the ordinary worker, whether he be white collar, blue collar, professional, mine worker or industrial worker, from exercising his right to refuse to work under certain conditions and at a certain wage, then we abandon the basic precepts of democracy.

I urge hon. members to recognize that when workers and members of unions exercise their right to strike they are exercising a right which the Supreme Court of Canada, in the case of Zambri *v.* Canadian Pacific Railway which was heard a few years ago and in which I was involved, has held is a right which is theirs at common law, a right which has been restated in the statute law of this country and in the various labour relations acts.

I would also remind the committee that it is unfair and a great mistake to forget that the right to strike has in fact been very substantially curbed under every jurisdiction in Canada except the province of Saskatchewan, though I understand that some amendments may have been or are about to be introduced in the legislature of that province. In every other jurisdiction in this country, once a collective agreement is signed, then for the duration of that collective agreement, whether it be one year, two years, three years or five years, the right to strike is taken away by law. In such cases employees are prohibited from striking during the life of the agreement. Union officers are prohibited from counselling strikes. Both employees who strike and unions and union officers who counsel or initiate strikes are subject to prosecution, whether under the Industrial Relations and Disputes Investigation Act passed by this parliament or under the labour relations acts passed by the provincial legislatures.

The fact is that before order in council 1003, which was introduced in Canada during the war, all workers in Canada had the right to strike whenever they decided in their judgment to do so whereas under the present law they can strike only after certain procedures have been followed. They can strike lawfully only after a collective agreement has terminated, after certain conciliation and mediation procedures are completed and a certain period beyond has passed. We have in fact taken from the workers of this country their right to strike during the major part of their working lives, namely, during the periods when collective agreements are in force. I am not saying that this is a bad thing I believe, and I am sure all members of my party believe, that this was a step which brought some order out of chaos in labour relations. It introduced into the labour relations field the concept that once a worker made a bargain with an employer through his union and the employer made a bargain with him, then for the duration of that bargain both of them should live together in peace. If there are differences between them they should settle them by the grievance procedure or by arbitration if they cannot settle them themselves. Thus there is a useful introduction, if I may call it that, of a civilized relationship and civilized behaviour into the matter. The right to strike during the effective period is taken away.

• (3:50 p.m.)

The relevance of this to my next point is that because the right to strike is taken away during the life of a collective agreement, because the workers cannot do what they would have done under the common law, namely, down tools and walk out, or pull the plug as it is called, grievances build up during the life of the agreement. If those grievances are not settled to the satisfaction of the workers, bitterness and resentment are built up. Therefore, when the workers get to the bargaining table to negotiate for a new agreement or to revise an old agreement, nine times out of ten the union committee makes representations not only about negotiations but also about a backlog of unsatisfied grievances and unresolved complaints. The union committee brings to the table a mountain of complaints having nothing to do with the major part of the negotiations. I say that anybody having anything to do with labour must keep in mind that at the negotiating table you are dealing not only with particular questions of wages, reduction of hours or job security but also, whether you like it or not, with a build-up of resentment and bitterness resulting either from failure to solve complaints during the life of the agreement or from other factors which have produced a great deal of discontent and dissatisfaction.

This was one of the major problems in the longshoremen's strike. I have never acted for the longshoremen in Montreal, Quebec or Trois-Rivières but I have acted for them in Toronto and Hamilton. I know from personal

experience at the negotiating table that it takes a couple of days to get rid of the complaints and the bitterness before you get down to discussing the issues to be negotiated.

Related to that—and this brings me directly to the department and to the legislation which the department administers—is the terrible prolongation of negotiations. The longshoremen's strike which was settled about a week ago had to do with revising a collective agreement that expired, if my memory serves me right, on November 30, 1965, some six or seven months ago. Negotiations were started before that. This sort of thing is true for almost every major set of negotiations. Our machinery permits either the employer or the union to drag his or its feet for months. It has been my experience—I am not impartial and I am therefore making this statement out of my particular set of premises and prejudices—that it is the employer who drags his feet. As a matter of fact, my information is that in the longshoremen's strike, until the Minister of Labour got into the picture some week or two before the final settlement, the union had not had any monetary offer from the Shipping Federation despite having gone through six months of negotiations. The union had not had an offer it could look at and consider.

I would not be exaggerating if I said that I have known hundreds of such cases where the employer, on the theory that if he starts too early he will have to give too much, withholds his offer until the last minute. And what does that result in?

People often blame unions, if I may interject this, as if they were impersonal corporations. I know that there are shareholders in a corporation and that there are members of the board, but the fact is that a corporation is a much more monolithic organization than a union. In the corporation a few persons are able to make a decision and the negotiators are told to carry it through.

Mr. Munro: Would the hon. member permit a question?

Mr. Lewis: Certainly.

Mr. Munro: I felt that the remarks of the hon. member for York South concerning collective bargaining were laudable and are remarks that many of us agree with. But how can he reconcile his statement with the bill his party advanced last week with respect to the longshoremen's strike, about which the hon. member was talking? That bill sought to legislate the men back to work for pay and other terms less favourable and more rigid than obtained in the settlement.

Mr. Lewis: Answering the question, first, the terms were not less favourable and, second, I make no apology for that bill. Since the hon. member for Hamilton East has asked the question I shall take a minute or two to answer it if he will listen with his ears and not with his prejudices.

Some hon. Members: Oh, oh.

Mr. Lewis: We considered the step very carefully, Mr. Chairman. We felt three things. We felt, first, that the economic situation had reached a point in Canada where some legislative step was likely to become necessary. Second, we felt if a step was likely to become necessary it was better if it were by legislation which did not involve compulsory arbitration but which in effect gave the workers the monetary increase which had already, we thought, been agreed to. The final agreement showed that we were right, because 80 cents over two years is exactly what was agreed to and what our bill proposed.

In our bill the remainder of the differences would be left to negotiations and to a commissioner of inquiry. Thus the collective bargaining system would not be interfered with, as my friend suggests.

Also—and I know every time one says something like this some hon. members shout with guilt feelings that they cannot control, "You are being pure" and all such nonsense, which does not phase me—we felt that precisely because of our close association with the labour movement in Canada a step suggesting legislation of this sort might serve a useful purpose in promoting negotiations, in stimulating them and, if you like, in bringing those negotiations further forward. We knew that hon. members in this house would ask exactly those questions the hon. member asked and would say that we were trying to interfere with collective bargaining. None the less we believed, right or wrong, that our bill on the floor of this house, or the suggestion of such a bill, would serve a useful and constructive purpose in stimulating the negotiations and in suggesting the kind of legislation that should be undertaken, if legislation should be necessary at all.

I can only say to the hon. member, Mr. Chairman, that we were delighted to see the result produced by collective bargaining. Let me point out that the good result was achieved only after practically the entire cabinet was involved and after the Prime

Minister became involved in the negotiations. If you set such a precedent, too often the Prime Minister and the entire cabinet will be involved in settling labour disputes which ought to be settled without the involvement of the entire cabinet.

• (4:00 p.m.)

The question asked by the hon. member made me digress. I shall come back to what I said. I bring to the attention of the minister what I think is one of the matters that careful consideration should be given to, namely, that the time limits for negotiation and conciliation should be tightened. Since we already have law on the statute books dealing with this aspect of things, let us make the law workable. You can make the law workable only if the law sets very tight limits on the length of time during which the parties can negotiate directly before going to conciliation and, if conciliation is undertaken, before a final settlement one way or the other. We must in the future avoid the kind of lengthy, drawn-out process of negotiation and conciliation which can result and does result only in further bitterness, further resentment and a build-up of impatience among the rank and file of the union membership which makes it almost impossible for the bargaining committee to arrive at any conclusion which would be acceptable to union members.

We ought to look on the conciliator as being more important than we have hitherto done. Every conciliator ought to be of the rank of a mediator. It is not enough to sit down with the parties and listen to them, but carry no weight with them and have no influence with them. We should get the kind of conciliator who has a standing of great importance in the field of industrial relations, a man who has a knowledge way beyond that of the average conciliator today. He must carry weight with the parties.

I am confident as a result of intimate knowledge that the Air Canada strike could not have been avoided had not an experienced member of the Labour Department carried on the final phase of the discussions. I cannot pay too high a compliment to the excellent job Bernard Wilson did. I am confident that had it not been for a man like Bernard Wilson there would have been no settlement.

I would suggest too that a conciliator nowadays ought not to come to the bargaining table with empty hands and, if some of them will forgive my saying so, with empty heads as far as the facts of the situation are concerned. I cannot blame them. At the present time they are given no information. I think conciliators ought to have the benefit of a research organization behind them. When a conciliator goes to the bargaining table to help the parties adjust their differences he ought to have more information at his disposal than they have, not just as much, about working conditions in the industry, about the wages paid, about the wages paid in comparative fields, the place of the industry in relation to exports, and so on. All these matters relate to the settlement of wage and related disputes and ought to be within the knowledge of the conciliator. Otherwise, he listens to one story, which is usually exaggerated and distorted, then he listens to another, which is usually equally exaggerated and distorted, and is often completely at sea about what is really in dispute between the parties. I therefore make these few concrete suggestions.

I wish to turn now to the question of the longshoremen and the Labour Code and to say briefly that the minister failed to understand the questions asked by my leader, the hon. member for Burnaby-Coquitlam, and the question I myself asked yesterday. We are not concerned with the latest court action. If the court found that the men violated an injunction order and felt they should be punished for doing so, that is a separate matter. What I am concerned with is that the Labour Code does not define an employee in adequate terms and does not make it sufficiently clear that people such as longshoremen come under the Labour Code, that they can as a matter of right refuse to work on the eight regular holidays mentioned in this code, again, that they have a right not to work longer hours than those provided by the code and that they have a right to refuse to work if they do not get the vacation pay which the code provides.

If we enact a law setting out benefits which workers in certain industries should enjoy, we ought to write that law in such a way as to make it impossible for employers to interfere with the rights of the workers. It is the first injunction I am concerned about, the fact that an employer was able to go to court and obtain an injunction forcing these men to go back to work.

The act and the regulations should be amended so that the workers may be able to

exercise their rights without such interference on the part of the employer and without an opportunity for the courts to step in. I say, as a responsible member of parliament, I hope, and as a responsible member of the Canadian Bar, that the courts have allowed themselves to be led astray by employers demanding anti labour injunctions in labour disputes. From my study of the common law and the statute law of this country, about which I know a little in this field, I say it was never intended that the law of injunctions should be applied to labour disputes. It was intended to be applied only in civil matters involving the usual property differences between citizens. It is, in fact, being used—

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Some hon. Members: Continue.

Mr. Nicholson: If the hon. member is nearly through I think that he should be allowed to continue.

Mr. Lewis: I did not hear the minister.

Mr. Nicholson: I understood from the hon. member that he had nearly finished and in view of that I think he should be allowed to complete his speech.

Mr. Lewis: That is right. I have only two or three sentences more.

The Chairman: Does the committee give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Lewis: I shall not abuse it, Mr. Chairman. With respect to the courts and the judiciary I say that they have allowed themselves to permit employers to abuse the process of the law in issuing these injunction orders in labour disputes. I hope the minister and his colleagues will give every consideration to the amendment of the Criminal Code or to some such amendment as I produced in the form of a bill in this house, so to define "watching and besetting" as to make it impossible for the courts to interfere as they have interfered. I am sure the courts have done so with the best of motives, believing they were carrying out the law. Well, let us change the law so that they will not be able to use an injunction order in effect to break strikes, in effect to force people to work, in effect to interfere with the bargaining process and the rights of Canadian workers.

I conclude by saying that though Canada has made great progress in the labour-management field we have still a considerable distance to go, and I urge the minister to give serious consideration to the suggestions which I have made, and which other hon. members have undoubtedly made in this field, as well as to various suggestions which his department could make to him and which none of us may have thought of.

[*Translation*]

Mr. Régimbal: Thank you, Mr. Chairman.

About ten days ago the house, and especially the government members applauded with good reason the end of the longshoremen strike in Montreal. Throughout the house as well as throughout the country, everyone breathed more easily upon hearing about the settlement of that strike which had gone on for 37 days and had penalized, not only the parties involved, but practically all classes of our society in all the spheres of activity in the country. That sigh of relief marked, we hoped, the end of a very unhappy experience which unfortunately had resulted in nothing but misery, as is the case with most of the much publicized strikes.

At that time, we noticed in the ranks of the official opposition as well as in those of the other opposition parties, an almost complete lack of criticism because of the relief felt by everyone. However, that silence should not have been interpreted for a single moment as the expression of our satisfaction about the way the negotiations had been carried out or as a sign that we approved the government's intervention, because on that score, at least in all the corners of the opposition, I have the impression that everyone had felt a terrible disappointment. Now that the crisis is over, we would like to take advantage of this debate on the estimates to make known some of the serious thoughts we kept to ourselves then.

• (4:10 p.m.)

[*English*]

Since we were not able to make much comment at the time of the settlement of the longshoremen's strike I believe the time has now arrived when we can express our legitimate disappointment at the way the strike was allowed to continue and at the government's participation in efforts to settle it. How could we be other than disappointed when one stops to think that practically

everybody in the country was adversely affected by the strike action?

During the days preceding the settlement, and even during the days preceding the strike itself, we posed several questions to the minister asking what action he intended to take to bring about a happy settlement before adverse effects would have to be endured. Unfortunately his answers always contained an expression of hope but did not outline the kind of action that was needed.

One of the main arguments that was used was that the government should not butt into private negotiations. A lot can be said for that proposition, but now we know that no settlement was reached until the government did butt in. That should not have been a last resort; it should have been the first resort.

Aside from the private features of the negotiations, where strike action is involved we must consider that it is a form of economic warfare in which A argues it out with B and, if agreement cannot be reached, he then takes a form of economic action in order to have himself judged right. This is the general atmosphere of any strike, but when the welfare of the people of Canada is involved the government has a very definite responsibility. We submit that the longshoremen's strike was a sad experience from beginning to end simply because the government took no action to avoid having the strike take place. Mr. Chairman, you can imagine how scandalized and disappointed we were at the enthusiasm which rocked the aisles on the government side of the chamber when settlement of the strike was announced. This was the second time in two years that we saw such a reaction from government supporters.

Anybody who knows anything about labour matters knows that the time to applaud is when a strike has been avoided. A strike is a state of war, and nobody can win anything out of a war whether it be in the economic field or in some other field. There is no reason to boast of a settlement. The time for boasting is when a strike has been avoided.

The same situation applied in the postal strike roughly a year ago. In that case we had nothing to gloat about but the fact that after everybody had suffered the government finally decided to do its little bit. I return to the point that government assistance should be offered before strike action is taken. Speeches were made to that effect before the longshoremen's strike took place, but to no avail. I repeat that the government has a

[Mr. Régimbal.]

responsibility to step in when the interests of the economy are involved.

Mr. Nicholson: Would the hon. member permit a question? Does he know just what the government did during the six weeks or so that preceded the settlement?

Mr. Régimbal: We tried persistently to find out but we could not get a definite word in reply.

Mr. Nicholson: I thought the hon. gentleman agreed that contentious matters should not be dealt with in this house during negotiations since it might disturb things. Does he not think that applies equally to the minister and to the government, even though he might have liked them to make a statement on the subject?

Mr. Régimbal: I do not get the sense of the question, Mr. Chairman, since the minister had so many statements to make after the strike was settled. Why were we denied information until everything had been settled? All the government said in all its answers was that it hoped for settlement.

I remember mentioning in one speech during discussion of the estimates, also, I think, that without interfering in the actual process of negotiations the prestige of the minister and of the Department of Labour should be introduced as a factor with the negotiating parties who should be talked to in this general sense: Look, you can squabble all you like and fight all you like, but speaking for the people I must advise you I cannot allow any economic action to go beyond that.

There are several things that could be done in such a situation. In fact I experienced one recently. I was not the victim but just a couple of weeks ago I was returning through Paris from Geneva when Air France employees declared a two-day strike against the company one week in advance of the actual strike action. It was announced in such a way that the public could take steps to protect themselves against the inconvenience of such economic warfare.

It seems to me that the minister should have acted much sooner in the longshoremen's dispute because once a strike is allowed to start we all know that the eventual settlement is going to be twice as hard and as bitter to achieve. The parties at that stage are commited, have taken their stands and usually do not budge quickly from their positions. The government should act before the fact rather than after the fact. It should act

rather than just express the hope that the problem will go away. That is what it did on this occasion, but the problem did not go away and every class of society was affected.

Further, once the strike did take place the government's action left a lot to be desired. The strike was permitted to last much too long, some 37 days during which farmers, labour, management, industry and all classes of society were made to suffer. I come from a small town of approximately 10,000 population which contains four industries and all four were adversely affected by the strike. If that situation is multiplied all across Canada we can readily see what kind of economic tragedy a strike like this could have been and actually was.

• (4:20 p.m.)

In any event, when the government finally decided to act it is our feeling that all the wrong people became involved and that the action during the strike could have been directed better. I am referring particularly to the crash committees which were organized. Everybody questions the participation by or the fact that certain persons were involved. Everybody agrees the Minister of Industry should have been there—this is a normal thing—even though several question his actual knowledge in the field of industrial relations. However, this is a question of principle to which no one had any objection. Many persons have raised objection to the fact that the President of the Privy Council was involved, because everybody believes he knows little or nothing about the whole field of industrial relations. Everybody knows he has been on both sides of the table, the management side and the labour side. Anybody in industrial relations knows that a person who tries to play both sides usually ends up using both sides against the middle, and the middle in this case happens to be the Canadian people who deserve better.

Another was the ex-minister of labour. We have doubts about him because if he was such a good minister of labour we suspect he would still be minister of labour. Everybody is miffed and mesmerized by the fact that the one person who knows more about labour than anybody in the government was not called upon. I am referring to the Minster of Citizenship and Immigration who has a record of a whole life of experience in this field. I can understand that there could be personal implications, that there could be political implications and that there could be strategic implications, but it seems to me when any matter takes on the importance that this had we should drop these considerations and make sure that we send the best man in the circumstances to do the job.

The settlement itself certainly was not something we can crow about, mainly because we have just come out of the wonderful budget speech in which the Minister of Finance suggested very modestly to labour to please take their little old time and not insist on too many increases so that we can have a chance to settle our economy. Three weeks after that we come up with the biggest settlement that ever has been accomplished in Canada—30 per cent in two years. It is an amazing thing that we should find a contradiction like this within a few weeks and among the same people. Despite the recommendation of the Minister of Finance, without a doubt this is going to set a pattern for weeks to come. We dread the inevitable effect this will have on what everybody wants to be affected favourably, the cost of living. It seems to me a pattern has been set which necessarily will be followed in the negotiations that have broken down right now so far as the railways are concerned. Unfortunately you cannot get out of it too easily.

We are very disappointed with the way the strike was handled. We were very disappointed that the strike was allowed to happen and that it was allowed to last so long. Without being too pessimistic we fear that without a doubt we have just made the first step on a long path of suffering. It is on this particular basis that we very sincerely and modestly object.

Mr. Cowan: Mr. Chairman, I wish to occupy a few moments of the time of the house in the consideration of the estimates of the Department of Labour with regard to an item concerning shift differential rates of pay which never came to my attention until June 13. This information was given me while serving on the health and welfare committee.

I wish to draw the attention of the Minister of Labour to a situation which I think cries aloud for immediate remedy. I know him to be a fair man and I sincerely believe he will take immediate action and not put it off until some time in the dim and distant future when collective bargaining may be instituted for employees of the government.

When the postmen went on strike in Toronto, Montreal, Vancouver and elsewhere in Canada I said in this House of Commons that I supported the postmen in going on strike

for the simple reason that the government was telling them it could not pay them more money while at the same time it is the government which establishes the rates on mail and by keeping the postage rates down low the government is able to turn around and tell its employees that it cannot pay them more money because the revenue is not large enough. At the time of the strike I said, and I repeat it now, that when the cabinet was in a position to raise the rates to a fair and reasonable level they certainly were not justified in telling the post office employees that they could not raise their rates of pay.

We now have a situation in the Department of Veterans Affairs and in the Department of National Health and Welfare which I maintain cries aloud for correction. I believe it is the duty of the Department of Labour to step in. On two occasions I publicly have congratulated the Minister of Veterans Affairs for his administration of that department. I based my congratulations and commendation in large measure on the fact that they were providing a shift differential rate of pay to the nursing staff of the Department of Veterans Affairs hospitals across the dominion. Although I have been in business for 40 years and have been accustomed to shift differentials for workers who are working evening shifts or night shifts as opposed to the day shift, I never thought for a moment that the shift differentials being paid in the Department of Veterans Affairs were such that they cry aloud for immediate correction.

It is some years since I first began to agitate in public for a shift differential and day premium rate of pay for nurses on the staffs of our hospitals in the Dominion of Canada. In my investigation some years ago I was very pleased to learn that in the province of Quebec and in the province of Saskatchewan the hospital services commissions were paying shift differentials to nurses on evening and night shifts compared with the rate of pay for day shifts. This is not the case in the other eight provinces of Canada. In the province of Quebec the director of nursing at Notre Dame Hospital in Montreal told me about six years ago that the differential in the rate of pay was 12 cents an hour on the night shift and 15 cents an hour on the evening shift compared with the day rate. This was a rather interesting statement because of the fact that there was a higher differential for the evening shift than for the night shift. Normally the night shift draws the highest differential. I cannot remember

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the name of the order to which this director of nursing belongs, but she told me that the nurses maintained that the shift from four o'clock to midnight interfered with their social life much more than did the midnight to eight a.m. shift, and for that reason the evening shift received a 15 cent differential and the night shift a 12 cent differential.

The province of Saskatchewan has had an equally good shift differential on these two shifts. So when it was announced in 1963 that the Department of Veterans Affairs would be paying a shift differential effective April 1, 1964, I, as a person interested in the matter, took it for granted that the rates would be in conformity with standard practice this country over or this continent over. I congratulated the minister and investigated the matter no further.

• (4:30 p.m.)

However, when I was attending the committee on health and welfare considering the estimates on June 13 I asked the officials of the department who were then appearing before the committee whether they were paying shift differentials to nurses in hospitals for Eskimos and Indians which come under their direct control, in the same manner as the Department of Veterans Affairs. I was advised that they were paying the rates established by Treasury Board.

I am very glad that one of the officials who appeared before us on June 13 later sent me a letter in which he said:

> At today's meeting of the national health and welfare estimates committee you asked me about the shift differential regulations. I thought you might like to have a copy of this.

He enclosed photostatic copies of the Treasury Board shift differential minutes. I was astounded to learn that the shift differentials paid by the Department of Veterans Affairs and the Department of National Health and Welfare for nurses are 8 cents an hour on the evening shift and 12 cents an hour on the night shift. While I may have been astounded to learn of these absolutely ridiculously low rates of shift differentials I was dumbfounded by the discovery that the Dominion of Canada does not pay the shift differentials for the full shift. In the case of the evening shift from 4 p.m. to midnight they only pay the shift differential for six hours, and on the night shift from midnight to 8 a.m. they only pay the shift differential for six hours from midnight to 6 a.m. The Treasury Board maintains that they are day work hours from 6 a.m. to 6 p.m. and that

anybody who is working what the Treasury Board calls day work hours is only going to be paid day rates of pay and the rate differential will only be applied to six hours on the evening shift and six hours on the night shift.

I will read into the record Treasury Board action in this regard as indicated by extracts from the minutes of a meeting of the honourable Treasury Board held at Ottawa on December 12, 1963. It is headed "T.B. 609965 Treasury Board". It states:

> The Treasury Board, pursuant to section 7 of the Financial Administration Act, is pleased to make the attached regulations respecting shift differential allowances effective April 1, 1964.

It is signed, I believe, by Mr. D. M. Watters. Attached is a Xerox copy of the shift differential allowances. Number one states that these regulations may be cited as shift differential allowance regulations. I will not read them in their entirety, but I should like to read 2(b) and 2(c) which are as follows:

> (b) "evening work" means regularly scheduled work performed by a public servant between 6 p.m. and midnight;
>
> (c) "night work" means regularly scheduled work by a public servant between midnight and 6 a.m.;

Section 3 reads:

> Subject to sections 4 and 7, every public servant shall, in addition to his salary, be paid an allowance of 8 cents per hour for evening work and 12 cents per hour for night work.

These regulations are taken from the official Treasury Board regulations. This is a Xerox copy from which I have read.

Having been astounded, as I already said, by the minuscule shift differentials of 8 cents an hour and 12 cents an hour, I telephoned a reliable source of information in Montreal only last week with regard to nurses' rates of pay in the province of Quebec. This informant of mine is a man who holds a very responsible position in the hospital field in that province and he advised me that they pay a shift differential of $1.85 from 4 p.m. to 12 p.m. and that this shift differential applies to the whole eight hour shift. This differential is at the rate of 23.1 cents per hour compared with the 12 cents per hour shift differential paid by the government from 12 p.m. to 8 a.m. The Quebec hospitals pay a shift differential of $1 on evening shift for the full eight hours. This is 12.5 cents an hour. They are paying 12.5 cents an hour compared with the federal government paying 8 cents an hour and they pay 23.1 cents an hour compared with the federal government paying 12 cents an hour. I ask you, how in the name of heaven these ridiculous rates paid by the federal government can be justified?

We pay the province of Quebec $200 million a year in equalization payments in order to help this have-not province. If they accept $200 million per year and can pay a differential of $1.85 per shift, surely to heaven the federal government, which thinks it is in a position to give $200 million a year to Quebec in equalization payments, should be able to match at least the shift differentials paid by the province of Quebec to its nurses. The province of Quebec pays its nurses a shift differential per week of $9.25 on the night shift but the federal government is only able to pay its shift workers a shift differential of $3.60 per week on the night shift. The province of Quebec is able to pay a shift differential of $5 a week and the federal government under comparative circumstances can only pay $2.40 a week for the evening shift. I cannot see how the Canadian government can ask nurses to work six hours in the evening for an extra eight cents an hour, which is 48 cents, because generosity such as that may ruin the country.

The first item in the estimates of the department refers to the Canada Fair Employment Practices Act, to the administration of the Canada Labour (Standards) Code, to the Fair Wages and Hours of Labour Act, to the fair wages policy order and to the Female Employees Equal Pay Act. When we are discussing legislation such as those acts to which these estimates apply, it is only right and proper that I should refer to these ridiculous rates of pay which have been authorized by the Treasury Board, and demand that the Department of Labour take a hand in this matter. Does 8 cents an hour for six hours and 12 cents an hour for six hours measure up to the Canada Labour (Standards) Code? Do these rates measure up to the Canada Fair Employment Practices Act? Do they measure up to decent labour-employer relations?

In reading the opening statement of the Minister of Labour made to the house on May 27 when these estimates were first introduced, I note that he referred to the fact that his work falls largely into three sectors, two of which are labour management relations and labour standards and benefits. Later in his remarks he referred to the Canada Labour (Standards) Code and stated as reported at page 5634 of *Hansard* for May 27:

> I can say this, that the code has already had a very important effect in eliminating pockets of substandard wages—

I should like to see this code take effect in respect of these substandard wage areas relating to the 8 cent and 12 cent shift differentials paid in the D.V.A. hospitals and hospitals under the Department of National Health and Welfare.

Then the minister makes this interesting comment, as reported on the same page:

> I should like to refer also to an increased activity in the woman's bureau of the Department of Labour. This provides a continuing focus in our department on policies and programs relating to the standards and conditions of work of women. The bureau aims...to promote working conditions in every industry throughout Canada that are conducive to the well-being of the women, and efficient production. The role of this woman's bureau is becoming increasingly important as more women, both married and single, enter the labour force.

I trust that I will not be criticized by anyone on this side of the house if I ask the women's division of the Department of Labour to consider this 8 cent an hour shift differential for six hours out of eight and the 12 cent shift differential for six hours out of eight compared with the $1.85 or 23.1 cent per hour shift differential that is paid in the province of Quebec on the evening shift and the $1 for eight hours or 12.5 cent per hour shift differential also paid.

Surely we can bring the federal shift differentials up to the same level as those paid in a province which is willing to be branded as a have-not province and gladly accepts $200 million from the federal treasury. This would bring these rates up to those which that province has set for itself as pie in the sky.

• (4:40 p.m.)

I do not believe that the comments I have made today are a reflection on the Department of Labour or on the Minister of Labour. I doubt very much if he is aware of the fact that wages of this kind are being paid. I draw your attention to the interesting comment made by the official of the Department of National Health and Welfare who sent me these xerox copies from which I have quoted. He makes this statement, that the responsibility for recommending amendments would rest on the staff of the Treasury Board. This is mighty interesting. I wonder if I, as an elected member of parliament, might not have some responsibility in recommending that the rates of pay under the heading of "shift differentials" should be altered and should be altered right away? I will never rest satisfied until the nurses of the Dominion of Canada are not only getting a decent shift differential but are being paid day premium rates of pay for work performed on national holidays.

We talk about the tremendous shortage of nurses in our hospitals. It is the most critical shortage in any single vocation in Canada, Mr. Chairman. It is a continuing problem for all doctors and all hospitals. It will never be settled until the rates of pay are commensurate with the services that these women give, particularly on the night shifts and when they work on holidays while other people are away enjoying themselves. I sincerely draw the attention of the Minister of Labour to these figures which, so far as I am concerned, were only disclosed on June 13. The minister made his opening statement on May 27. I am relying on his fairness and good nature to take the matter in hand right away.

When we tell the civil servants that when they get collective bargaining everything will be wonderful, we should warn them that there are many employees who have collective bargaining for whom conditions are not exatly perfect. You cannot accomplish much under collective bargaining unless both sides sit at the bargaining table and bargain in good faith. You can give the post office employees collective bargaining, but if you are not willing to raise the rates on mail matter you will tell the postal employees that you cannot raise their rates because you have not got the money.

If you are going to sit down with the hospital workers and tell them that you will only pay 8 cents an hour for part of a shift, then you are not approaching the labour problem in a fair manner when other employers who pay a shift differential are paying it for a full shift. These people have to be paid on a reasonable basis and not on the basis of this miniscule figure of 8 cents an hour for six hours on one shift and 12 cents an hour for six hours on another shift. I leave the matter in the hands of the Minister of Labour, since I believe he is a fair man. I do not belive he will delay in rectifying this ridiculous situation which has been placed on the record of the government by Treasury Board order of December 12, 1963, which became effective April 1, 1964.

Mr. Macaluso: May I have permission to put a short question to the Minister of Labour? It is a question and not a statement of any kind. As a result of information that has come to me, I ask the minister if he can inform the committee whether the R.C.M.P. searches which are now going on about the

premises of the Seafarers' International Union are in fact related to alleged irregularities on the part of the present officers of the Seafarers' International Union? I think the minister will appreciate the importance of this matter which I am bringing to his attention. I put the question as a result of information which I left the house in order to receive and I certainly hope the minister can make a report on this situation.

Mr. Nicholson: Mr. Chairman, it had been my intention to try to deal with points raised by individual members at the conclusion of all their remarks. I must confess, however, that in view of certain publicity that has resulted from the events to which the hon. member has just referred, namely, the searches that were made earlier today by the R.C.M.P. and may still be going on, I thought such a question might have been put to the Solicitor General or the Minister of Justice earlier this afternoon. However, I do believe that the members of this committee and the public generally are perhaps entitled to some information at this time, in view of the wording of the question which has been put to me.

I wish the Solicitor General or the Minister of Justice were here to give the answer, but they are not so I will try to answer. I can only say that it is not the practice of the Department of Justice or the Solicitor General to supply information about active investigations. However, I can say, and I think I should say in view of the way the question was worded, that the searches that are being made today are not related to the present officers of the S.I.U. but are related to the activities of the past president, Mr. Hal Banks.

Mr. Nowlan: Mr. Chairman, is rising to speak on the estimates of the Department of Labour I want to make it clear at the outset that any remarks I make about labour do not arise out of frustration as a result of past employer-employee relationships between this member and the minister, but perhaps rather reflect the general frustration one feels about employer-employee relationships in Canada today and the inactivity of the government in trying to resolve them. In the few minutes we have left before private members' hour, I must say I am somewhat surprised that the minister has brought forth the estimates of his department at this stage. In many ways he reminds one of the saying about certain individuals who tread where angels fear to walk, especially in view of certain strike settlements that have dominated the headlines and the Canadian economy for the last four weeks as well as the pending strikes and unsettled labour situation which will dominate the Canadian economy and the Department of Labour during the summer months and early autumn.

Perhaps the minister might deserve credit for his courage in bringing forward his estimates now if there were no other labour disputes on the scene. However, if the purpose in bringing forward the labour estimates now is to cloak the disputes of the future and choke debate on the pending labour problems, then I suggest the minister is to be criticized for attempting to get the labour estimates passed at this time. In view of the participation directly or indirectly, and in both cases about which I am talking it became direct in the last stages, of the federal government in negotiations which resulted in the approval of a 30 per cent increase over two years for the workers in two recent labour strikes, the federal government has been a party to a precedent for the settlement of labour problems in Canada for the next while. I suggest, Mr. Chairman, that this precedent is going to be in effect an economic albatross that will be hung around the neck of not only the Minister of Labour but the government as well.

This 30 per cent increase in dollars and cents alone will bring wages close to the minimum wage ceiling in certain provinces. On what basis was the 30 per cent arrived at? I had some experience on the west coast with school boards and when settling wage disputes one looked at all the relevant factors. You looked at the increase in the cost of living, the increases in wages, the increase in productivity and you arrived at a contract that took all these factors into consideration. When you approve a settlement which involves a 30 per cent increase in wages over two years, over a contract that was settled two years ago and was satisfactory at that time, then you have the height of irresponsibility.

Unemployment may have been the bane of the former Conservative government and certain members of the present government stood up day after day and criticized the Conservative government about it. I believe it is the duty now of the opposition to stand up and, on a more specific aspect of the labour problem, bring before the house and the people of Canada valid criticism of an area in which the government has become involved

and with which it is going to have to live. I am afraid that, like the ancient mariner, the albatross is going to choke the government when it attempts the settlement of other labour disputes.

• (4:50 p.m.)

We had an exhibition here by the Minister of National Health and Welfare the day before the longshoremen's strike was settled. The strike was then in its 38th day and there were 143 ships tied up in Montreal harbour. The minister stood up in the house and gave a learned exposition of the philosophy of collective bargaining. No one could take exception to that just as no one could take exception to the hon. member for York South saying this afternoon that people had the right to strike. However, Mr. Chairman, an exposition on the philosophy of collective bargaining by a minister who was the former minister of labour in the 38th day of a strike which tied up the ports of Montreal, Trois-Rivières and Quebec, is something like the minister standing up and expressing his approval of motherhood. We are all in favour of collective bargaining and we are all in favour of motherhood. However, even dear mother, if she stalled her car on a highway and backed up 143 cars behind her, would be liable to a reprimand or to some help from the authorities. Even mother, if she stalls her car at an intersection when the green light is on, would be either reprimanded or given a little push by the authorities.

The mere fact that these authorities would reprimand mother would be no sign that the institution of motherhood was being attacked. In so far as mother with the car is concerned, you might take one police officer and help move her down the road. Here, however, we had the fantastic situation of the government, with all the cabinet reorganization that is going on, allowing five ministers to participate in the negotiations, including the Prime Minister. Referring again to the analogy with mother, I say that one officer might move the car if he knew what he was doing rather than have the whole police force help to move that little car down the road. I wish the Minister of National Health and Welfare were here because I felt some provocation to stand up and question him on his statement but the rules of the house did not allow it. How can the Minister of National Health and Welfare say that the process of collective bargaining, which is fine in principle, is working after a strike of 39 days, after 143 ships have been tied up and when the government finally intervenes to help?

We had midnight seances. We on this side of the house thought that seances were a thing of the past in government. Here we have four or five ministers, including the Prime Minister, having meetings and looking for guidance. Finally, as a result of one fact or another, they resolved the longshoremen's strike. After the dissertation by the Minister of National Health and Welfare there was tremendous applause. The hon. member for Argenteuil-Deux-Montagnes remarked on this applause. I must say it rather got me. It would have made my grade 6 teacher feel great. I wish she could come here some time. I think she would have a lesson to teach all of us. She taught school for 52 years in one school. This is a fact. She happened to teach the man who was the principal, she taught my father and she taught many people before she retired two years ago. She believed in the principles of reading, writing and arithmetic. She had many pithy sayings and many fables. I know hon. members would be interested in one of the fables. I refer to that fable about the empty vessel making the most noise. I believe this could be applied to the applause which greeted the minister's dissertation on the philosophy of collective bargaining.

The minister's dissertation on the philosophy of collective bargaining was certainly punctured by having all those vessels tied up and this strike prolonged. I suggest that somewhere along the line the good of this country must transcend the competing and conflicting interests of combinations or groups of economic units. I am very sorry the Minister of National Health and Welfare is not here, because he was a very good professor. I am afraid he forgets, as other members of the government forget, that they are not professors now. They do not have to preach economic philosophy. They do not have to talk around the rights or wrongs of collective bargaining. They do not have to read textbooks on the subject. They are in the position of power and in the position of government. They are not in the classrooms but in the seats of authority where they should act. And they should act, and not agonize, in order to settle strikes before they happen rather than surrender responsibility after they have occurred.

That is just what has happened with hon. gentlemen across the way, and I am afraid with the Minister of Labour, certainly in the case of the longshoremen's and the St.

Lawrence seaway strikes. In regard to the longshoremen's strike, the minister asked the hon. member for Argenteuil-Deux-Montagnes if he knew what the government did for the longshoremen. I would ask the minister what the government did for the seaway workers. I think that their acquiescence in the settlement of the seaway strike was more than an indictment of the inactivity of the government.

The position of the longshoremen did involve some cross-currents at first. But in the seaway strike the government appointed a Senator renowned for his prescience and knowledge of international law, but who I suggest, with all respect to him, has not mediated a labour dispute for years. Perhaps the minister would tell the house when this Senator last mediated a labour dispute, let alone a dispute affecting anything so involved and important as the St. Lawrence seaway. I suggest that the St. Lawrence seaway strike involves and indicts the government even more.

Mr. Nicholson: Mr. Chairman, I am sure the hon. member would want me to comment on the fact that he has referred to the St. Lawrence seaway strike three times. That matter was a dispute; it was never a strike.

Mr. Nowlan: The minister is quite correct, Mr. Chairman; it was not a strike and I thank him for that correction. But my point about the pending strike on the St. Lawrence seaway and/or settlement negotiations is this. The minister asked the hon. member for Argenteuil-Deux-Montagnes to list all the things he had done. We on this side had been asking day after day what the government was doing. It is now clear what happened. So far as the St. Lawrence seaway is concerned there was never any intention to negotiate. It was merely a case of filling in a blank cheque; and that is what happened.

Mr. Mackasey: Would the hon. gentleman permit a question? Does the hon. member, as a representative of a party which is supposed to be of pro-labour as well as pro-management sentiment, disapprove of the package deal that the employees of the seaway obtained with regard to parity of wages with those working on the United States side? Is he saying in effect that he disagreed with that settlement?

Mr. Nowlan: I am saying this, Mr. Chairman. The Minister of Finance suggested certain principles should be followed to restrain inflation; his words were rather to "put a brake on prosperity". By the government's acquiescence and involvement, its capitulation and surrender to the seaway workers, it has broken the philosophy of any budget which the Minister of Finance is trying to sell to the Canadian people.

Mr. Mackasey: Would the hon. member permit another question? I was interested in his answer. Is he suggesting that one step to prevent inflation is to deny labour an increase in wages?

Mr. Nowlan: No, Mr. Chairman, I am not suggesting any such thing. I see it is almost five o'clock or past five o'clock, and this question is so frivolous it has upset me. I would suggest to the hon. member that so far as I am personally concerned the government stated that because of inflation the 11 per cent sales tax could not be removed and that they could not give $25 extra to the old age pensioners because of inflation. Yet a month and a half later, instead of putting the brake on prosperity, they stepped on the gas pedal of inflation and agreed to a settlement amounting to 80 cents an hour over a two-year period. In contrast, the increase for the old age pensioners would have involved only 80 cents a day.

• (5:00 p.m.)

So far as I can see this government is not showing leadership or responsibility to the Canadian people at large. I am not speaking for labour or against it; neither am I speaking for or against business. I am speaking on my concept of a body of people. I think labour is aware of this situation too. After the strike was settled I was passing through Montreal the next day and I happened to read in the Montreal *Star* that one of the labour leaders had described it as a "fabulous settlement".

I would ask the hon. member for Verdun—let us play tit for tat so far as questions are concerned—whether he believes in and agrees with a 30 per cent settlement in any negotiations in which he has been involved, and would he have made this settlement?

Mr. Mackasey: It would depend. Thirty per cent of what?

The Chairman: Order, please.

Mr. Nowlan: That is the difficulty of asking questions—

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

Some hon. Members: Agreed.

Progress reported.

Mr. Howard: Mr. Speaker, I know the hon. member for Ontario may be reluctant to make this request because a member of his own party was speaking at five o'clock, but in view of the extreme importance of the subject matter may I suggest that we postpone private members' hour for today and spend the time between now and six o'clock dealing with the Department of Labour estimates?

Mr. Starr: Mr. Speaker, we have quite a number of speakers who want to speak on the estimates of the Department of Labour and I do not think there would be sufficient time to complete them before six o'clock. I know there are two or three speakers also from the New Democratic Party who want to speak on these estimates.

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, public bills.

TRADE

ATLANTIC PROVINCES—NEW ENGLAND STATES AND WEST INDIES—SUGGESTED PROMOTION

Mr. Heath Macquarrie (Queens) moved:

That, in the opinion of this house, the government should consider the advisability of taking an initiative in promoting increased trade between the Atlantic provinces and such traditional market areas as the New England states of the United States and those islands formerly comprising the British West Indies.

He said: Mr. Speaker, I should like to begin by expressing a word of thanks to the house, especially to my colleague, friend and cousin, the hon. member for Oxford (Mr. Nesbitt), who on Monday saved my spot or position on the order paper. Perhaps my position otherwise is not of the kind that can be rescued but I appreciate the action of the house and especially that of my colleague.

The motion which I have presumed to bring to the attention of the house this year is similar to a motion which I have brought forward on previous occasions in preceding parliaments. My earlier version was couched

[Mr. Nowlan.]

in the terminology once used by the present Minister of Public Works (Mr. McIlraith) when he sat on this side of the house, which called for considering the advisability of establishing free trade between Canada and a portion of what used to be known as the British West Indies.

Since I have not succeeded in having that motion adopted even with the minister on that side, I have changed the terminology and therefore the direction of the motion somewhat and I am now suggesting that consideration be given to freer trade between my area, the Atlantic region, and some of its traditional areas of trade and of close relations other than trade, and I mention the New England states and the West Indies islands.

There has been, as hon. members may have noticed, in recent months some interest, especially in the province of the minister of health and welfare, Nova Scotia, in the question of considering out-and-out free trade between the Atlantic provinces of Canada and the New England states. A resolution was passed in the Nova Scotia House of Assembly to have this matter considered. There has also been some discussion involving the governors of some of the states of New England. It is not surprising that this interest has been stimulated to a degree by what has taken place in other parts of the country, namely, the establishment of what one might describe as free trade on a commodity basis. It is argued that if free trade between southern Ontario and northern Michigan in the form of the automotive free trade agreement can be operative, then so might free trade on a broader regional basis, namely, between the Atlantic provinces and New England, be considered.

There are, of course, difficulties in this situation. There might be some difficulties so far as control of the commodities are concerned once they have been exchanged vis-à-vis domestic trade.

With regard to New England, we must surely all be convinced that the economy of the Atlantic region of Canada is lagging, that it is continuing to lag, and that the lag between our area and the rest of Canada is broadening rather than narrowing. So if any way can be devised whereby we can facilitate the shipment of our goods and stimulate the output of our industries, this way should certainly be considered.

When I last spoke on this subject I suggested that we had perhaps reached the stage where another full-fledged commission of inquiry into our economy was in order, something of the scope and comprehension of the White or Duncan commissions. If such an inquiry were launched this general question of the stimulation of our trade should certainly be one of the subjects to receive attention.

I am not going to deal any further with the question of trade with New England, Mr. Speaker. I should like to confine the rest of my remarks more particularly to the other area which is mentioned in the resolution, namely, the West Indies.

It is not surprising that this initiative should come from one from the maritimes. Perhaps it is appropriate that it should come from one who is a resident of an island. The ties of sentiment, and of more than sentiment, between the maritimes and the West Indies are old. They used to be very strong and there are many of us who wish that they were stronger now.

This resolution is based on two considerations. The first, and I say this quite unabashedly, is the desire for an improvement in the economy of the Atlantic provinces. The stimulation of our seaborne trade is a very obvious factor in any such improvement. I do not have to belabour the house with statistics relating to this aspect.

• (5:10 p.m.)

Second, it stems from my own conviction that we must quickly upgrade our interest in the West Indies for reasons other than selfish or economic motives. There is a growing and, to me, disturbing disillusionment among some of the leaders in the West Indies. There was a very interesting and I think useful gathering at Dalhousie University last month in which leaders of the West Indies and of the maritimes participated. The Minister of Trade and Commerce (Mr. Winters) delivered an address. This meeting was a hopeful sign.

But if one reads the reports of this gathering one finds that the leaders of the West Indies, although in Canada, were not reluctant to make statements such as: "Canada is dragging its feet in the field of external aid." Those leaders suggested that they were hoping for some greater initiative in the development of broadening trade between the two areas.

We all want to be hopeful about the larger gathering which is to take place in Ottawa on July 6. Being very hopeful I trust that this session will have adjourned for the summer recess before then so that nothing will interfere with the success of the meeting. We want to see that gathering successful.

Mr. Knowles: I hope we will get medicare through before then.

Mr. Macquarrie: That gathering will be between the heads of the Caribbean commonwealth countries and our own head of government. They will sit down to look in broad perspective at the problems of the Caribbean area and at the possibilities and prospects for improving relations, trade and other things between Canada and this area.

I do not want to raise any bogies and point out the great dangers existing in West Indian communities, now approaching political independence, owing to many of them having economies that fall far short of being viable. Some communities have achieved political independence. Indeed, some of the leaders of these areas point out the dangers which might develop in such a volatile part of the world because of such great economic poverty, political uncertainty and, shall we say, a proximity to a very dangerous part of the world, namely, Mr. Castro's Cuba.

We are concerned with these things as we look out to the world because we are a state which justifiably prides itself on its diplomacy. We seek to make our contribution in the field of foreign policy. Sometimes we almost suggest that we know the French better than the British know them although the British have dealt with the French for centuries. We sometimes suggest that we understand all sorts of people better than does the United States, which comes in close and daily contact with them.

I suggest that if there is any part of the world in which for us there is a combination of unique opportunity and superior ability to do something, it is in the Caribbean area. I know of no part of the world in which a limited degree of Canadian economic aid could be so helpful as in this area. I know of no part of the world where the failure of the have nations, to use that expression, to participate to the full could be more dangerous and explosive.

All that this resolution attempts to do is to stimulate what I think is a latent Canadian friendship and Canadian interest in the West Indies and the current problems thereof. There is a reservoir of good will between our peoples. There is a maximum of opportunity.

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However, our external aid is not nearly what it should be. I do not think we have explored the possibilities of stimulating trade between the Caribbean and our country. We have let the "Lady" boats go out of existence and we have not replaced them. It looks as though private industry is not able or not willing to replace them. We should consider perhaps if it is not sufficiently important for Canada to return to some form of subsidy whereby we can use the Atlantic to carry goods north and south between these two areas.

We have made one forward step in developing air contacts. There are other forward steps. But I do not think we shall ever fulfil our destiny with respect to the West Indies if we look at the West Indies only as somewhere to have some fun in the sun if you can afford it, where you can drink good rum if you like it or put molasses on your bread if you are sufficiently old-fashioned.

Mr. Knowles: Explain.

Mr. Macquarrie: I am old-fashioned.

An hon. Member: We will drink to that.

Mr. Macquarrie: I have said enough. I want to give others an opportunity to speak. I want to leave time for a vote so that the government may go to the conference on July 6 with a unanimous House of Commons behind it in order that the people of the Caribbean may realize that we all here are interested in their welfare. and that we all want to take the first forward step in improving trade conditions between their important region and ours.

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, in his notice of motion the hon. member for Queens (Mr. Macquarrie) suggests that trade be increased between the Atlantic provinces and our traditional markets in New England and the West Indies. I feel that I must agree in principle with the proposition and I wish to take this occasion to put forward an extremely interesting proposal now promoted by a Montreal businessman, Mr. Kenneth Patrick, who is a former maritimer. I believe that Mr. Patrick's proposal is dynamic, colourful and makes a lot of sense. I am not saying that the government should adopt it in toto or immediately but I am saying that the proposition deserves the most sympathetic and active consideration.

• (5:20 p.m.)

Mr. Patrick's proposal is that Canada assume the role of a senior partner of the newly independent states, that we invite them to join us in a monetary and customs union and that we assume responsibility for their defence and external affairs. This may appear to be a dramatic proposal, and no doubt it is, but I suggest this is one more reason for looking at it closely. It could very well be the kind of stuff which would place Canada in the world spotlight as a nation with initiative and imagination. I believe the challenge was made exactly to our size.

The West Indies have now arrived at a period of decision and this is exactly the time when Canadian assistance could make the difference between prosperity and disintegration. The proposal to which I am now referring deals only with the eight islands commonly known as "the little eight", which include Barbados, the three Leeward Islands —Antigua, St. Kitts and Montserrat—and the Windward Islands comprising Dominica, St. Lucia, St. Vincent and Grenada. The population of these eight islands is slightly above 700,000. The total land area is about half of Prince Edward Island. These islands are but three hours away from Canada by air. As a matter of fact, they are closer in terms of air distance to the capital of our country than Ottawa is to many Canadians both east and west.

The main principle behind the proposition is that these islands need our assistance and that Canada needs the West Indies. The timing of this proposition is of some importance because the Prime Ministers of these islands will be meeting with our own Prime Minister here in Ottawa next month. Moreover, Barbados will become an independent commonwealth country very shortly and Antigua will also become a self-governing state in free association with Britain. The other islands will soon achieve the same status. The year 1966 or 1967 should see the end of a century of colonial rule. These islands will be looking for a direction, a destiny, a new alliance, co-operation with other states. It is therefore the right time for Canada to become interested in dealing more intimately with these newly independent governments.

These islands need Canada because they need a new influx of capital, they are short of know-how and they will want new markets. Canada needs their climate. Canadians already provide 40 per cent of the tourist business of these islands. Under a monetary union it will be as if Canadians were spending their own money at home. This Canadian money can be used for purchases from Canada and as much needed capital for the industrial development of the islands.

The West Indies also produce now or can be placed in a position to produce goods which we are at present purchasing elsewhere. Because of the prevailing climate, which is probably the most favourable in the world for the 12 months of the year, they can produce agricultural products to be sold in Canada for an amount close to half a billion dollars a year. These figures are bound to grow with an increase in Canadian demand and an increased capability to produce on the islands. This is about the sum of money which Canadians spend every year seeking the sun in all parts of the world. The fantastic sums which Canadians now spend purchasing food outside the country and as tourists represent a drain on our balance of payments position which could partly be solved by customs and monetary union with the West Indies.

As I have said, the proposal includes our being responsible for external affairs and defence. Canada already staffs embassies throughout the world. It would seem that not much greater expense would be involved should these islands wish to be represented by our diplomats.

As to our assuming our responsibility for defence, here again arises a proposal which is worthy of consideration. We are at the present time organizing a mobile force to stand in readiness for brush-fire wars anywhere in the world. It would appear at the present time that these small wars are most likely to occur in countries with tropical or semi-tropical climates. Such being the case, why should our mobile force not train in tropical or semi-tropical climates, exactly the conditions provided by these eight little islands? Our Canadian military personnel in the West Indies would not only be in a position to get some experience in such a climate but would also provide some measure of defence to the islands. That, of course, would result in substantial economic benefit to the islands. Our armed forces personnel have already built roads, airports and other public works in many other areas of the world. Why could they not concentrate on these islands?

Our crown corporation, Air Canada, is already carrying heavy traffic during the winter to these islands. Other arrangements could be arrived at to carry not only passengers but air freight which would be of benefit both to Canada and to the West Indies.

Such a proposal for a monetary and customs union with the West Indies should be based on direct assistance and investment by Canada for a definite period. An investment of some $20 million by way of a soft loan concentrated in one small area such as the West Indies would have a tremendous impact. It would be an investment which would bring dividends to Canadians in the near future. Canada has experts and trained personnel in various departments such as agriculture, fisheries, transport, public works, central mortgage and so on. Some of our trained people could bring fabulous assistance to the people of the West Indies. They could advise them on building homes and industries, on producing and packing the goods we cannot produce here and which we are now purchasing elsewhere.

As I stated before, the matter is of some urgency because these islands have already reached or are approaching their independence and the time for us to bring assistance and to assert our leadership is now.

Two winters ago I was in Barbados and I realized then for the first time how friendly these people were to Canadians. They probably enjoy dealing with us because we share some of their traditions and because Canadians are known as not being racially prejudiced. Many of the West Indies leaders are graduates from Canadian universities and there are more West Indies students in Canada now than in any other country.

• (5:30 p.m.)

These islands have a long tradition of English and French culture. Barbados and Antigua have had the English culture and tradition for three centuries. St. Lucia is a bilingual country with both our official languages, French and English, and the civil code of St. Lucia is the Quebec civil code.

The Patrick proposal which I have just described has merited considerable constructive consideration in many newspaper editorials across the country, and I would like to quote from two of them. The *Financial Post* of June 4, 1966, had this to say:

> Yet what form should this take? More aid would help. So would more soft loans. But is this enough? An imaginative program that would go much further is now being actively promoted by its author, Montreal businessman and one of the founders of Canadian Aviation Electronics, Kenneth Patrick. With the enthusiastic support of the little eight, Patrick suggests a form of Canada-West Indies integration, which would include the Canadian dollar as the standard currency throughout the islands, the removal of all customs barriers, the basing of Canadian troops in the islands for training, and the establishment of Canada as the official representative of the islands in other countries.

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It is a fresh and iconoclastic program and deserves the serious study it is now receiving in official Ottawa circles. But plainly there are troubles for everyone lurking beneath its attractive surface.

Is Patrick proposing that Canada become the new colonial power to replace Britain? If there is to be a single currency and no customs barriers, Ottawa would have to insist on maintaining considerable control of business and financial activities in the islands. This could be resented. So could the presence of Canadian troops over any long period. Would External Affairs recruit West Indians for Canada's foreign service to speak for the islands and for Canada?

These points should be discussed in official Ottawa. Canada must make clear what it requires from the islands in return for any such commitments on our part. That is the sort of talk that is needed next month. If we send the West Indians home again without having shown a real desire to talk business, we stand to pay a stiff price in later bitterness and lost opportunities.

My point, Mr. Speaker, is not that we should necessarily adopt the Patrick proposal but that it should be studied very closely by the government. It is a striking proposal, it has the merit of being new and it deserves the attention of parliament and the government.

I should like to conclude my remarks by quoting extracts from a recent editorial in the Barbados *Sunday Times* of June 5, 1966, entitled "Conference With A Difference":

For the second time in 40 years delegates from nearly every West Indian territory will gather to discuss relations with Canada. On the last occasion the conference was held in Ottawa without any preliminary discussion in one of these colonies. This is in modern parlance, a conference with a difference. On the last occasion the West Indies joined in establishing the Canada-West Indies trade agreement which lasted for many years and which was disrupted by the second world war. At that time all the territories were under the administrative heel of the Colonial Office. Today three of these are independent nations and the others are on the verge of independence judging by the recent offer of the British government.

As we have pointed out, many of the then dependent territories are now masters in their own house.

It is in this spirit that we enter consideration of an agenda which must bind us for good or ill to the Canadian people.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am going to speak in this debate in a manner that no doubt will justify a headline, this being a case of rare unanimity within the house, because I would like to bring the support of our party to this resolution and also to commend not only the hon. member who moved it but the very constructive speech that has just been made by the hon. member for Restigouche-Madawaska (Mr. Dubé).

[Mr. Dubé.]

I think this resolution is extremely valuable. It has dual purposes, both of which we should approve and which certainly are very close to our hearts. Part of the resolution deals with the problem of regional development and I believe that we who come from all parts of Canada should take the question of regional development much more seriously than we do. The whole principle of regional development is one that is given a fair amount of lip service. We talk about regional development, regional balance and regional fiscal equality. These are slogans to which lip service is traditionally given in Canada, but we have failed to carry out any policy of regional equality or regional development.

I remind the house of what was stated in the 1965 annual report of the Economic Council of Canada:

Our analysis has shown that over a period of almost four decades embracing buoyant expansion, a severe depression, a prolonged war and a period of revived national growth, the regional problem in Canada has remained essentially unchanged. Large inter-regional disparities in per capita income have stubbornly persisted despite various forces working towards better balance. These have included significant redistribution of population, far reaching adjustments in the structure of economic activity at the national level, and certain public policies aimed at greater equalization of regional incomes. Against such a background, the narrowing of income disparities and the achievement of this result consistently with other basic economic and social objectives, remains one of the most difficult issues confronting the country as a whole.

It is my view that what is required is an integrated strategy of development in which the points brought forward by the hon. member for Queens (Mr. Macquarrie) have to play their part in bringing about an adjustment of trade policies to open markets for the products of the Atlantic provinces. This, of course, is only one aspect, but it is futile for us to adopt inconsistent policies, to adopt policies of regional expenditures and incentives for regional development on the one hand and on the other hand adopt trade policies which militate against effective regional development. I think we must adopt the principle of what I call population retention.

I am happy to say that there are many people who have come to my constituency and to the Toronto urban area from the Atlantic region. I personally welcome them but I do not believe it is a healthy movement.

In the period 1941 to 1950 the Atlantic region suffered what has been described as a negative migration of 76 persons per thou-

sand while Ontario enjoyed a positive rate of 65 per thousand. In the period 1951 to 1960 the negative rate for the Atlantic region was 56 persons per thousand while the positive rate for Ontario was 131 per thousand. Naturally I am not objecting to the growth and development of my own province of Ontario. I am happy to see this. But if it is caused by a forced migration, a migration forced by economic circumstances from a part of this country which has the resources and the ability to retain its population, then I say it is an unhealthy situation and all parties should accept as part of their platforms a definite policy of what I call population retention.

• (5:40 p.m.)

I do not mean by that that within the regions there is not room for manpower policies which will enable people to move from a depressed sub-region, if I may call it that, into another. I do mean that these large-scale migrations from one province to another are a totally different thing, and I think we should consider the social implications. Only too often this type of migration results in not too happy circumstances within the urban areas to which the migration comes. Sometimes, however, this is due to such things as slum conditions of which we have no reason to be proud.

This resolution deals with one aspect of the matter, that is, the trade policies which are appropriate to a policy of regional development. I believe this is extremely important to confederation as a whole. As I said, this resolution has a dual purpose. The other purpose encompassed within the resolution is the development of trade and other relations with the former British West Indies. I say nothing about New England. I should like to say, however, a word in support of what already has been said concerning our responsibilities and opportunities in Canada in respect of the West Indies.

It seems to me, as was pointed out by the hon. member for Restigouche-Madawaska when he referred to a press clipping from the *Globe and Mail,* that there are many problems to be looked into. Some form of free trade and some form of governmental assistance on a long-term basis I think are part of our international obligation. This would be beneficial not only to the islands concerned, the West Indies, but to Canada itself.

Yesterday, along with some other members of this house I visited the St. Hubert base in Quebec. As I think most hon. members who are familiar with matters of defence know, we are changing our defence plans and they now call less for static defences in say the European theatre of war and much more for what is referred to as a mobile force which can be moved quickly to any part of the world. Many of the areas to which such a force may have to be moved under our United Nations obligation or under some other obligation so that we can play a peacekeeping role and perhaps contribute tremendously to peace in the world are regions which are tropical or subtropical.

In Canada, with snow for a great part of the year, we cannot produce conditions of a tropical nature which our troops should have if their training is to be adequate. I am quite sure that those who are responsible for our defence policies, and particularly our mobile command, would welcome the opportunity to discuss with our friends in the West Indies the possibility of leasing training grounds. This is a prospect which should be mutually beneficial and indeed might be an addition to the security of that part of the world.

Although I know it is the usual custom of the house to talk out private members' resolutions, I do not believe there is one hon. member in this house who cannot approve of the resolution before us. It is a resolution which merely speaks of the government considering the advisability of taking the initiative in promoting increased trade. If this house were to approve of the resolution instead of throwing it out, it seems to me it would be a most encouraging instruction concerning the will of parliament on the two subject matters mainly involved, namely, regional development as it is applicable particularly to the Atlantic provinces on the one hand and international development as it affects our relations with the West Indies on the other. Therefore, Mr. Speaker, I commend this resolution and I hope we will be given the opportunity to show our approval by an actual vote.

Mr. Richard Cashin (St. John's West): Mr. Speaker, at the outset I should like to say it generally seems that during private members' hour matters such as this are talked out. If this is our procedure, then certainly it is a procedure which should be altered—

Some hon. Members: Hear, hear.

Mr. Cashin: —particularly when we are considering a resolution like this one. I would very much like to see the house come to a

decision on this resolution. I know that privately all of us agree with its substance. At this moment I do not know whether this will come to pass but I hope it does. In the event that it does not, I think that today's proceedings on a matter about which there is so much agreement should suggest to us that we are impairing the reputation of this institution by continuing the process of talking out all private members' bills and all private motions as a matter of procedure. There definitely are cases such as this one when we all agree that the motion really should be passed by the house.

For the next few minutes there are a number of things I should like to say because, along with other members, I had an opportunity this year to visit Trinidad to attend the regional conference of the Commonwealth Parliamentary Association. This was a great opportunity to meet with parliamentarians from this area. The impression I came away with was a very distinct one. In this area of the world the people recognize the difference between Canadians and other nationalities and they like the difference. At the same time, however, they are looking to Canada not only for increased aid and more soft loans but also for a deeper involvement on the part of Canada in their area.

I believe it is in the enlightened self-interest of our country to become more involved in this area. I read an editorial recently in the St. John's *Evening Telegram* which made reference to the proposal discussed by the hon. member for Restigouche-Madawaska (Mr. Dubé). It pointed out that six or seven years ago the government of Newfoundland subsidized a boat to travel from Newfoundland to Jamaica. This does not seem to be the kind of thing a provincial government should be doing but the sort of effort which should be expanded and promoted by the federal government in general and more particularly the other Atlantic provinces.

We do have opportunities for trade in this area. I think we must recognize that as these islands, particularly the major ones such as Trinidad and Jamaica, attempt to develop their own internal economies their traditional approach to trade may vary. We may find, as I believe we have, that we will lose some of our markets there because they are trying to develop their own secondary industries. I believe this presents us with the opportunity of becoming more involved with them in their internal development so that we can assist them and at the same time help expand our own markets. So this is not something we should do because of a moral obligation we may feel for underdeveloped nations. In this particular case, as in perhaps no other, it would be very much in our self-interest and I believe this should be the basis of our approach to this area.

• (5:50 p.m.)

In the past—this was indirectly referred to by the hon. member for Greenwood, (Mr. Brewin)—Canada has tended to look inward. Our national policy has seemed to favour the central region of Canada. I agree with him that expanding trade between the Maritimes and New England can help in regional development in Canada. I am encouraged to think that there are at least two factors at work which should help us move toward this goal. One is our sense of obligation and the other is the move generally throughout the world toward freer trade. I believe it would be very much in the interests of the four Atlantic provinces and also of Canada if we explored new avenues and took a greater interest in our approach to the problems of the West Indies, not as another country which we have to assist but as a country which has a special and unique relationship to ours and one which we can help in a special and unique way.

Before sitting down I should like to say that perhaps we might investigate the possibility of setting up a sort of Caribbean development board with representation from Canada and the countries in that area, which might in an indirect way be modelled on the Atlantic Development Board. In this way we could help these islands co-ordinate their own internal efforts for development, provide them with funds and also provide them with people who could institute these various programs. I believe this might be a step in the right direction. The suggestion of Mr. Patrick is one worthy of further study.

I am sure that all of us in this house agree that there is a great opportunity here for Canada. I hope that the coming conference to be held on July 6 will find our government taking an imaginative and understanding approach to this great challenge.

Mr. Robert McCleave (Halifax): Mr. Speaker, it gives me great pleasure to round out the roster of speakers for the four Atlantic provinces, that area of Canada which would benefit most by increased trade with the West Indies and a new pattern of trade in

that area. It gives me pleasure to second the motion so ably proposed by the hon. member for Queens (Mr. Macquarrie) and to speak briefly on it.

First I should like to echo the point made by some of the other speakers, that there is no reason in the world why we cannot pass this resolution before six o'clock because it is in fact a fait accompli. As the last speaker mentioned there will be a conference in Ottawa in July between the Canadian government and officials of the area known as the British West Indies which will deal with the subject matter of the resolution presented by the hon. member for Queens. We need have no qualms that governments are going to fall or be put in impossible positions if we accept the intent of this resolution. As hon. members will recall, the present Minister of Public Works (Mr. McIlraith) had a similar resolution on the order paper some years ago.

Recently in Halifax a three-day conference was held at Dalhousie Univeristy which was supported by the Canadian national commission for the United Nations Educational, Scientific and Cultural Organization and the Institute of Public Affairs of Dalhousie University. It had the blessing and, indeed, the association of the Atlantic Provinces Economic Council. It considered Canada-West Indies relations and the possibility of establishing an institute somewhere in Atlantic Canada. I understand that this possibility is still being studied. We all hope that Atlantic Canada will put its actions where its talk has been in the past. That may sound like a cynical observation, but we have received criticism in Atlantic Canada for talking too much and doing too little in the matter of better relations, trade-wise and otherwise, with the West Indies. I hope we will take the initiative in this regard and show the rest of the country that the words uttered here this afternoon have substance.

I suggest that the British West Indies delegation to the meeting to be held in Ottawa in July will make several concrete proposals, some of which have been developed by Mr. William Demas who is associated with the office of the Prime Minister of Trinidad. His suggestions deal first with tariff measures to improve trade with the West Indies. He suggested at the conference in Halifax that Canada make available more agricultural representatives to assist agricultural development in the West Indies. This, of course, would be a boon to trade between the two countries. If they grow more they can sell more to us.

The other point I want to make relates to the warning that has been given by the education minister of Barbados, Mr. J. Cameron Tudor. He spoke at the same conference to which I referred and said that a free society will not long be retained in the West Indies if rescue operations are not set in motion immediately.

I should like to quote from an article which appeared in the Halifax *Mail-Star* of Saturday, May 21, which reports Mr. Tudor as follows:

> He warned that the west could not expect the maintenance of the democratic tradition in the West Indies if democracy was unable to get the area out of its economic coils, and added that Canada could play a leading role in assisting the area.

I think there is a challenge here and that if we do not meet it we will be doing a grave disservice to our own country and to an aspiring democratic area which could go the other way unless we ourselves take action. It is with great pleasure, Mr. Speaker, that I second the motion presented by the hon. member for Queens.

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Mr. Speaker, I agree with the intent of this resolution but I should like to state that the government has this matter in hand and our trade prospects under review. The government is concerned about improving trade between various parts of Canada and the rest of the world. I am concerned, however, by frequent expressions of opinion along these lines which are regional in character. These opinions have been expressed not only in the Atlantic region but also in western Canada. They relate to regional free trade arrangements involving one or two provinces and other parts of the world.

These opinions are not to be taken seriously. It would certainly undermine Canada as a nation if we were to take seriously the possibility of the establishment of special trade arrangements between other countries and particular regions or provinces in Canada. In western Canada we have heard members of provincial governments speak in this manner.

Mr. Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired.

Business of the House

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, with your indulgence I should like to say something about the subject matter of the debate that has taken place in the last hour. The government will take cognizance of the apparent unanimity in respect of this important subject matter. It is of importance and concern to the government and is receiving active consideration. I might say that I have a personal interest in this subject, having had a somewhat similar motion on the order paper some years ago.

I should like to indicate the business of the house for tomorrow. We propose to call legislation in the following order: First, item No. 65, second reading of the Canada Student Loans Act; item 71, second reading of the Customs Tariff bill; item 70, the Excise Tax bill; item 49, the public utilities transfer tax resolution; item 73, the Canadian dairy commission bill; item 76, the crop insurance bill and item 48, the Canadian Livestock Feed Board resolution. If time permits we will proceed with item 62, second reading of the Canadian Film Development Corporation bill.

• (6:00 p.m.)

If the resolution concerning the small Canadian National branch lines is on the order paper tomorrow we may ask that it be considered later in the day so that the resolution can, if it is agreeable to the house, be passed and the bill circulated. Then we would have the bill available for next week.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, June 23, 1966

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1966-67

A message from His Excellency the Governor General transmitting supplementary estimates A for the financial year ending March 31, 1967 was presented by Hon. E. J. Benson (Minister of National Revenue), read by Mr. Speaker to the house, and referred to the committee of supply.

HOUSE OF COMMONS

EXCHANGE OF GOOD WISHES ON BIRTHDAY ANNIVERSARIES

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, if I may be permitted the leave of the house, I should like to make reference to a dual event which is taking place today, namely the celebration of the birthdays of the Secretary of State for External Affairs (Mr. Martin) and the Minister of Transport (Mr. Pickersgill). Their relationship through the years has been one of such closeness as has not been personalized since the days of Damon and Pythias. I am sure all of us will extend to them the warmest of congratulations. As far as the Secretary of State for External Affairs is concerned, the dean of the house, my hope is that he will take instruction at the hands of the Minister of Transport from this time on as to the manner of answering questions.

• (2:40 p.m.)

May I also, while on my feet, extend congratulations to two other hon. gentlemen, both excellent parliamentarians, namely the Minister of Agriculture (Mr. Greene) and my hon. friend the member for Perth (Mr. Monteith) who will be celebrating their birthdays tomorrow. Speaking for all four, this is one occasion on which we can pay our tribute to good parliamentarians and gentlemen.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I be permitted to associate the rest of us on this side of the house with the warm greetings which have been extended to the Secretary of State for External Affairs and to the Minister of Transport on their birthdays today, and to the other hon. gentlemen who will be celebrating their birthdays tomorrow. It would have been appropriate for the deputy leader of this party to offer these congratulations, but I happen to know that this is his birthday, too. I thought I should like to add his name. Let us make it a trinity.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, could we inquire whether there are any other birthdays?

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, it is with pleasure that my group and myself join with the Leader of the Opposition (Mr. Diefenbaker) as well as with the representative of the New Democratic Party to extend our best wishes for a long and happy life to those who are celebrating their birthdays.

It has been given to us over the last four years to appreciate at their true worth the two ministers, namely the Minister of Transport (Mr. Pickersgill) who always says yes; appreciation for a man is not based on the number of times he can say yes. In any case, we are happy about his open-mindedness. With regard to the Secretary of State for External Affairs (Mr. Martin), I think that in this house he has only friends, people who know how to appreciate him. Even if his answers to our questions are sometimes doubtful, the Secretary of State for External Affairs is certainly a credit to Canada throughout the world and I am happy to offer him my best wishes on his birthday.

Some hon. Members: Hear, hear.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I too would associate myself and the members of our party with the good wishes that have been extended by the Leader of the Official Opposition and the representatives of the other parties in birthday greetings to the two senior ministers in the house who celebrate their birthdays today, and also with respect to the other three gentlemen who have been mentioned as having birthdays today and tomorrow.

May I just add, in this spirit of birthday good will, that it is our hope that this same spirit of good will may extend through the balance of the first half of this session, as we look forward to a recess.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have the permission of my colleague the Minister of Transport to speak on his behalf. I am sure the hon. member for Perth, the Minister of Agriculture and the hon. member for York South (Mr. Lewis) would also permit me to speak in their behalf in anticipation of their event tomorrow.

I have noted with gratitude and appreciation what the right hon. Leader of the Opposition has said, particularly about the Damon and Pythias relationship between the Minister of Transport and myself. Of course, as the older in experience but the younger of the two I greatly appreciate what has been said.

[*Translation*]

I greatly appreciate what the leader of the Ralliement Créditiste said about me and about my colleague. I also want to thank him for his warm wishes and his friendship, a friendship which, of course, owes nothing to politics but comes from the heart.

[*English*]

This is one of these occasions when we can sink our political differences. May I express the belief that the friendship prevailing among all of us, regardless of political affiliations, gives an added opportunity to serve our country more effectively in this chamber. I may say with pride, Mr. Speaker, that while I am by no means the oldest member of this house, I am very proud to have been here longer than anybody else.

COMMITTEES OF THE HOUSE

Second report of standing committee on industry, research and energy development—Mr. Cashin.

Third report of standing committee on agriculture, forestry and rural development—Mr. Whelan.

Fourth and fifth reports of special joint committee of the Senate and the House of Commons on the public service—Mr. Richard. (*Text of foregoing report appears in today's Votes and Proceedings*].

[Mr. Thompson.]

HEALTH AND WELFARE

STATEMENT ON REPORTED NEW CANCER TREATMENT

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, yesterday I promised to make a statement in connection with the anti-cancer hormone treatment developed by Doctors V. A. and V. V. Mirkovich.

The Department of National Health and Welfare has received an interim report from the Ontario Cancer Treatment and Research Foundation on their investigation of the clinical use in Mexico of a product designated as an anti-cancer hormone developed by these two doctors. During the last week in May two senior consultants of the Ontario Cancer Treatment and Research Foundation visited Dr. A. G. Andrade, of Vera Cruz, Mexico, who was reported to have administered this material to a number of patients. The physicians from the foundation examined available records and diagnostic materials. They have extracted and reported on the available data, but since this was inadequate to establish the purported claims for the anti-cancer hormone they have requested additional data from Dr. Andrade. This will include photographs, pathological slides and x-ray plates for evaluation to confirm the reported diagnosis and reported clinical responses.

During 1963 and 1964 Dr. Andrade treated a total of five patients with a product designated as anti-cancer hormone supplied personally by the Doctors Mirkovich. Of the five patients two have died, two were examined by the Canadian consultants, and the fifth person was reported to be alive but was not seen by the Canadian physicians. Of the two patients who died, one child was reported to have been suffering from lymphocythic leukemia and the other patient was reported to have been suffering from osteogenic sarcoma.

Of the two patients examined by the Canadian consultants, one child who was reported to have a neuro-fibrosarcoma of the mouth had been treated with radiation and a chemotherapeutic agent in addition to the anti-cancer hormone. The reported response could have been due to the radiotherapy and the known chemotherapeutic agent. Additional data have been requested in this case.

The second patient seen was a woman who was reported to have a malignant lesion of the tibia. Specimens from this patient had also been examined by two pathologists in Mexico, one from the National Cancer Institute of Mexico, both of whom diagnosed the

lesion as a benign giant cell tumor of the tibia.

• (2:50 p.m.)

The data supplied in the interim report have been reviewed by the medical staff of the food and drug directorate. In their opinion the scientific information available to date has failed to demonstrate any curative or palliative action of A.C.H. in the treatment of cancer. I should add that Dr. Matthew Dymond proposes to include the following paragraph in the statement he is making in Toronto today:

My advisers agree that the evidence so far obtained is insufficient at the present time to justify the claims of the Drs. Mirkovich that A.C.H. is of value in cancer treatment. They submitted the interim report and are collecting the additional information in order to complete this document.

The Doctors Mirkovich have been advised by the food and drug directorate, Department of National Health and Welfare, of the information required under the regulations relating to the distribution of drugs for clinical testing. They have not supplied any of the required data, including the composition of the drug or the degree of hazard involved in its clinical use in humans. When such information is supplied the directorate is prepared to undertake the scientific evaluation of the data immediately.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I am sure we are all disappointed at this report. We all have high hopes that some day a curative treatment will be discovered. This report is discouraging because, as I say, we did have high hopes that people in Canada and all over the world who are suffering from cancer would have the benefit of this treatment. I sincerely trust that, if the science research department and the cancer foundation get the co-operation of the Doctors Mirkovich and Dr. Andrade, the matter could be pursued further, and this is our hope.

LABOUR RELATIONS

QUEBEC—APPOINTMENT OF COMMISSION FOLLOWING LONGSHOREMEN'S DISPUTE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I wish to table copies in English and French of the appointment of Dr. Laurent Picard, under the Industrial Relations and Disputes Investigation Act, as a commission to investigate and report on certain outstanding matters arising out of the industrial dispute that involved longshoring operations and related trades in the ports of Montreal, Trois-Rivières and Quebec.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CONSTRUCTION OF BRANCH LINES IN WEST

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, today there appears on the notice paper a government notice of motion that the house go into committee of the whole to consider a resolution providing for the construction of two branch lines by the Canadian National Railway Company, one to the Osborne Lake district of Manitoba and the other at Watrous in Saskatchewan. If I might have the unanimous consent of the house I would ask to have the motion brought forward for consideration later this day.

Some hon. Members: Agreed.

Hon. J. W. Pickersgill (Minister of Transport) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize and to provide for the construction by Canadian National Railway Company of a line of railway in the province of Manitoba from the vicinity of Stall Lake on the Chisel Lake subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas mining district of that province, and of a line of railway in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the said railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina mining district of that province, at a total expenditure of $3,400,000, not to be exceeded by more than 15 per cent, and to authorize and to provide for temporary loans to the company out of the consolidated revenue fund toward the cost of construction.

Motion agreed to.

PUBLIC SERVICE

INQUIRY AS TO SALARY ADJUSTMENTS FOR ADMINISTRATIVE CLASSES

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 Minister of National Revenue. Earlier this month I asked him a question regarding salary adjustments for members of the civil service in group B, and the minister made no mention of those falling in the administrative category.

According to the information I have received, those civil servants who are in that category will find themselves, when the normal processes are followed, in a position of

no decision being made respecting salary increases until the end of this year and even the beginning of 1967. That is the view of Mr. Barnes, executive director of the professional institute of the public service of Canada. In view of the fact that the delays in so far as class B, the administrative category, are simply administrative delays, will the government hasten the determination of the matter so these people may be assured of justice at a very early date?

Hon. E. J. Benson (Minister of National Revenue): With regard to group B generally the recommendation of the Civil Service Commission is expected to be received by about July 15. I can assure hon. members that Treasury Board will act upon it as soon as possible after that date. There are some 15,000 people in group B, as I recall the figure, who are being reclassified in the administrative group. With regard to these people the anticipation is that there may be a few weeks' delay beyond that time in dealing with them. The staff of Treasury Board has been considering this matter urgently and has been in consultation with the Civil Service Commission in the hope that we may deal with it as expeditiously as possible.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question which is directed to the Minister of National Revenue. I should like to ask him whether he is aware that the customs and excise officers in Ontario zone 1, which comprises Peterborough, Oshawa, Bowmanville, Lindsay, Port Hope and Cobourg, have voted in favour of strike action in an attempt to force the federal government to abolish new job classifications and pay the balance of interim salary increases promised last year. In view of this action on the part of these people I wonder if the minister can tell us how he can bring about a solution to the problem.

Mr. Benson: Mr. Speaker, first of all in dealing with job classifications, this is the responsibility of the Civil Service Commission and has been carried out at all stages in consultation with the employee associations. There is a large number of people in the customs and excise officer classification who have been red circled as a result of the reclassification by the Civil Service Commission. In no case do these people lose salaries, but if they are red circled they simply must wait until the new classification they are in is above the level they are at before they receive increases. The problem is serious, and is one to which we have been giving a great deal of consideration.

I should like to point out to hon. members that after the final salary recommendations come from the Civil Service Commission with regard to group B, I believe the problem will be reduced greatly in that many of the red circlings will completely disappear at that time. I might point out also that the reclassification which is being carried on by the Civil Service Commission was necessary and essential, as recommended in the Heeney report, if the public service was to move in an orderly manner into collective bargaining. The situation was such, with the number of classifications in the civil service so great that it was felt it would be impossible to carry out collective bargaining on a reasonable basis without a reclassification taking place.

I am quite aware of the disruption and inconvenience which has been caused. The matter is receiving the daily consideration of Treasury Board.

Mr. Diefenbaker: Mr. Speaker, the minister has mentioned that Treasury Board will convene at once when the report is received; but is it not a fact that, immediately after this, three months will have to elapse before the allocation of employees to the new categories can take place, and then a further month for review?

If that is so, and this information received by civil service organizations is correct, it means that class B administrative categories will not receive their just due until the end of this year. What is the government going to do to accelerate the determination of this matter so these employees will not be left in this invidious position?

Mr. Benson: Mr. Speaker, first of all I should like to point out that this government for the first time in history gave interim increases to civil service employees before the final determination had been made by the Civil Service Commission of their recommendations with regard to pay increases. I want to assure the right hon. Leader of the Opposition that we will act with all due dispatch, and that no one is more anxious than I am to see that these salary increases come into effect as quickly as possible. Any slowdown is not the responsibility of the government but the responsibility of the Civil Service Commission which, under the present legislation, has responsibility for reclassification of civil servants.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister a supplementary question. Is the government yet in a position to make a clear statement about the point I raised in a question asked on Monday of this week; namely, can an assurance be given that despite the delays in readjustments that are taking place, none of these employees will lose out altogether on a salary adjustment?

Mr. Benson: Mr. Speaker, this is a very difficult question to answer because Treasury Board as such has not as yet received any recommendations from the Civil Service Commission with respect to salary changes for group B employees. I think it is entirely unfair to ask the government to consider something it has not as yet received.

Mr. Knowles: I have a further supplementary question. Will the government do everything it can to implement the Prime Minister's commitment made on Monday of this week that any possible injustices will be removed?

Mr. Benson: I think—

Mr. Speaker: Order, please. I suggest to hon. members that we are perhaps engaging in a debate at this point. There have been quite a few questions asked and answers given on this subject, and I would invite hon. members to go to another subject at this moment.

[*Later:*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to address a question to the Minister of National Revenue and ask whether he can give the house any assurance that when the government does get around to dealing with the salary increases of group B they will be made retroactive to October, 1965, when the cyclical review should have been considered.

Mr. Benson: Mr. Speaker, they certainly will be.

BROADCASTING

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I intended to direct a question to the Secretary of State, but in her absence may I direct it to the right hon. Prime Minister. Is it still the intention of the government to table the white paper on broadcasting before the end of this month or is there likely to be a delay and, if so, for how long?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the white paper is in the hands of the printer and we hope the printing and translation will be completed in time to make it possible to table it toward the end of next week.

[*Translation*]

NATIONAL DEFENCE

VAL D'OR, QUE.—RAINMAKING EQUIPMENT ON JET PLANES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Minister of National Defence. Can he deny or confirm statements to the effect that the jet airplanes stationed at Val d'Or are equipped with devices to seed clouds with silver iodide so as to make artificial rain?

[*English*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think I understood the question clearly enough to enable me to give an answer.

[*Translation*]

Mr. Caouette: Mr. Speaker, I shall repeat my question for the minister. Can he deny or confirm statements that the jets stationed at Val d'Or are equipped with devices to seed clouds with silver iodide so as to make artificial rain?

[*English*]

Mr. Hellyer: Mr. Speaker, I should think that would be false. We are not in the rainmaking business at the moment.

EXTERNAL AFFAIRS

RHODESIA—REPORTED THREAT OF BREAKDOWN OF DISCUSSIONS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs. In view of the grave situation which is apparently developing as a result of the threatened breakdown in talks between representatives of the government of Britain and Rhodesia, will the Prime Minister report on his discussion with High Commissioner Chevrier and tell us whether Canada, through its high commissioner in London, has recommended that negotiations might be carried out on some broader basis than that outlined by Commonwealth Secretary Bottomley?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the second round of talks in Salisbury has apparently been completed. We have not yet had a full report on those talks. The sanctions committee yesterday reviewed the effects of the sanctions program to date, and I believe I can say that while the sanctions are not up to schedule, it would be wrong to say they are not having an effective result.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a supplementary question. I am not sure whether the Secretary of State for External Affairs covered this in his reply, but I should like to ask whether there have been any indications that the sanctions committee will recommend a strengthening or reinforcing of the economic sanctions program now in effect and, if so, whether the minister is in a position to state the policy of the government in this regard?

Mr. Martin (Essex East): As far as the government of Canada is concerned, it has taken every action open to it. The sanctions committee has reviewed, as I said a moment ago, the effects of programs such as our own, as well as those of the British and other governments. Our government also took a stand with regard to mandatory action under article VII of the United Nations charter. I believe the wise course is to allow the sanctions program an opportunity to run a longer course before making a final judgment as to its effectiveness.

Mr. Fulton: Mr. Speaker, the minister did not quite answer the question I asked. I asked whether as a result of this review there had been recommendations for tightening up or reinforcing the sanctions program, and whether the government of Canada had reached a policy decision in that regard.

Mr. Martin (Essex East): Mr. Speaker, it is not for the sanctions committee to recommend courses. It is for governments to take decisions and for the sanctions committee to review the effects of those decisions.

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question I should like to direct to the right hon. Prime Minister, the urgency of which is emphasized by representations which were made by the major Canadian trade associations, some 10 or 12 in number. Will the Prime Minister advise the house whether he plans to recommend the correction of inequities that presently exist under the Canada Pension Plan, whereby large over-contributions have been made by employers without refunds?

Right Hon. L. B. Pearson (Prime Minister): I think this matter was dealt with the other day, Mr. Speaker.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question I should like to direct to the Minister of National Revenue. In view of the fact he and the Minister of Finance met yesterday with this organization of employers, can he indicate whether a decision has been reached, or tell us when a decision will be made to refund these overpayments?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, we had a meeting with representatives of the employers' organizations yesterday during which they put forward several suggestions, some of which had been received before and some of which were entirely new. We indicated to them that we would consider these representations, but that any changes in the present system would require changes in the law.

INDUSTRY

PROBLEMS CAUSED BY SLUMP IN U.S. AUTO SALES

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct a question to the Minister of Industry. Has the minister been in conference with Canadian car manufacturers in respect of the problem—which they expect to worsen—they are experiencing in meeting the objectives or achievements set for them in relation to the U.S.-Canada treaty, brought about by an auto sales slump in the United States?

Hon. C. M. Drury (Minister of Industry): No, Mr. Speaker, I have not been in conference with them on this point.

POWER

REPORT OF JOINT COMMITTEE ON TIDAL POWER DEVELOPMENT

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I should like to direct a question to the Minister of Energy and Resources. Can

he indicate when action will be taken by the joint committee of representatives of the federal government and the governments of the provinces of Nova Scotia and New Brunswick in respect of harnessing the bay of Fundy tides, from a power point of view?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, the board which has been created to study this project will get into action very soon, but I am not able to say exactly when.

NORTHERN AFFAIRS

BRITISH COLUMBIA—CONSERVATION OF WILDLIFE RESOURCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I intend to direct a question to the Minister of Northern Affairs and National Resources, but I have been advised that in his absence I should direct it to the Prime Minister.

I want to say this is a question of national significance because it is of general interest to all persons who are interested in the conservation of our wildlife resources, and is of great interest to the people of British Columbia.

Is the federal government prepared to co-operate with the government of British Columbia in the development of Duck lake, which is a portion of Kootenay lake, for the conservation of our wildlife resources, and to provide a financial contribution to that end?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we are only too anxious to co-operate with the government of British Columbia in all good causes, and I think this is one. How we should co-operate I will discuss with the minister concerned.

FISHERIES

REPORT OF INQUIRY INTO FRESH WATER FISH MARKETING

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government received the report of the McIvor commission dealing with fresh water fish marketing; and if so, will this report be made available to members?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will have to look into that matter. I think the Minister of Fisheries may have some information.

[*Later:*]

Mr. Pearson: Mr. Speaker, a moment ago I was asked when the report of the royal commission on the marketing of fresh water fish, presided over by Mr. McIvor, is likely to be received. I am informed that the work on the report of the commission is going along at a reasonable rate and it is hoped that it will be ready by the beginning of September.

PRINCE EDWARD ISLAND—TRAP AND LICENCE RESTRICTIONS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of Fisheries. In light of the trap restrictions soon to be imposed in district 8, and information received recently about the difficulties encountered in the neighbouring area of district 7b, I wonder whether the minister is giving consideration to also putting a freeze on fishing licences as of, say, the middle of September of last year.

Mr. Speaker: Order, please. I must say I cannot judge how urgent this question is. If the hon. member feels it is urgent and the minister is prepared to reply, I will certainly allow the question.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, while we will be imposing this year a certain trap limit, that is the maximum number of traps that can be used for each fishing boat, it is not our intention to impose control of licensing, although this matter is under very serious consideration.

[*Translation*]

BUSINESS OF THE HOUSE

CONSIDERATION OF RESOLUTION RESPECTING NATIONAL ANTHEM

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a question to the right hon. Prime Minister?

Is the Prime Minister in a position to tell us whether the proposed resolution appearing as No. 14 of the order paper, on the National Anthem of Canada, will be voted on or discussed before the summer adjournment, in view of the fact that this proposed resolution has been on the order paper for three years now?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I hope we will be able to get to it before long, Mr. Speaker.

Inquiries of the Ministry

[*Translation*]

NATIONAL DEFENCE

CONGRATULATIONS ON APPOINTMENT OF NEW CHIEF OF STAFF

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): On a question of privilege and begging your indulgence, Mr. Speaker.

The morning papers announced the appointment of General Allard as chief of staff for Canada. I should like to point out that he is a citizen of Trois-Rivières and to thank the government for the recognition of his merits. I should also like to congratulate the general on his promotion and to wish him every possible success in his new responsibilities.

I am sure that the whole house will join in these wishes.

Some hon. Members: Hear, hear.

[*English*]

WATER RESOURCES

GREAT LAKES—DISCUSSIONS WITH U.S. RESPECTING ANTI-POLLUTION MEASURES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the minister of energy, mines and resources. Were any decisions on a program of anti-pollution measures on the great lakes reached with Secretary Udall at the meeting today; and if so, when may we expect some announcements?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): It would be nice to be able to make decisions at that kind of meeting, Mr. Speaker, but it was not so. The meeting was essentially an exploratory one. We exchanged views on what both countries were doing on the great lakes. We intend to expand the research being conducted there, we intend to synchronize these studies, to co-ordinate them better, and we hope to develop standards on the great lakes that we will be in a position to offer to the rest of Canada and the United States as examples of what should be done against pollution.

Mr. Aiken: Mr. Speaker, I should like to ask a supplementary question of the Prime Minister. It arises out of a statement made by the Minister of Fisheries in Sault Ste. Marie that his department would be taking the lead in pollution measures on the great lakes. Does this indicate any transfer of responsibility for dealing with the great lakes pollution?

[Mr. Pearson.]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I understand that at this particular meeting the Minister of Fisheries was particularly concerned with one form of pollution, namely that by lampreys, and he called attention to the great success that has been achieved through the lamprey control operations of the two countries, a success about which I am sure my hon. friend will be as gratified as I am.

AIRPORTS

REQUEST FOR FEASIBILITY STUDY OF PEMBROKE AREA

On the orders of the day:

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I have a question for the Minister of Transport. Has the minister received any correspondence from the municipal councils in the Deep River, Petawawa and Pembroke areas requesting that his department make a survey of the area to determine the feasibility of establishing an airport?

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

Mr. Hopkins: A supplementary question, Mr. Speaker. When can we expect such a survey to get under way?

Mr. Ricard: Soon.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Almost immediately.

ADMINISTRATION OF JUSTICE

DELAY IN EXECUTION OF SEARCH WARRANT AGAINST S.I.U.

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I could direct a question to the Solicitor General. My question relates to the search warrant which the R.C.M. Police were in possession of yesterday and which they used to gain entry to the various offices of the Seafarers International Union. I would ask the minister why, the search warrant having been obtained on the 8th day of June, there was such a long delay in putting the search into effect.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, this action was along the lines being urged upon me by the hon. member for Kootenay West (Mr. Herridge).

Mr. Herridge: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Pennell: There were certain other matters that came to the attention of the authorities, and it was deemed appropriate to delay taking action at that moment.

Mr. Howard: A supplementary question, Mr. Speaker. Perhaps the minister did not understand the question. The search warrant was obtained on the 8th day of June and at that time came into force and permitted the R.C.M. Police to carry out the raid on June 22. What I want to know is, why the long delay?

Mr. Speaker: Order, please. The hon. member is asking for an explanation why something was not done. The question cannot be asked at this time.

SPORTS

POSSIBLE CONTRAVENTION OF COMBINES LEGISLATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Prime Minister. Now that Senator Keith Davey has been chosen as commissioner of the Canadian Football League—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —would the Prime Minister say whether a determination has been made by the government to bring professional sport under the provisions of the Combines Investigation Act?

Some hon. Members: Oh, oh.

Right Hon. L. B. Pearson (Prime Minister): No decision has been taken on that matter, Mr. Speaker, but as the right hon. gentleman has raised the question I will be glad to get in touch with Senator Davey so he can get in touch with my right hon. friend to see whether anything can be done for the Saskatchewan Roughriders.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Saskatchewan Roughriders need no help.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: However, I ask the Prime Minister this. In view of the answer given by the President of the Privy Council in February while he was still minister of justice, as I recall it, that this matter was being considered in order to preserve a degree of fairness and to deny anything of an improper nature, has the government not given any consideration to this question or has it waited until the senator has been elevated to the position he now occupies?

Mr. Pearson: No, Mr. Speaker. I appreciate that this is a serious matter, and the government wishes to treat it as such. No doubt in the consideration being given to this matter by the officials concerned they will wish to get in touch with the new commissioner.

EXTERNAL AFFAIRS

SUGGESTED INTERNATIONAL CONFERENCE ON LAW OF THE SEA

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I have a question for the Secretary of State for External Affairs. In view of the fact that negotiations over the establishment of geographical co-ordinates as called for in the Territorial Sea and Fishing Zones of Canada Act passed in July, 1964 have not brought about the implementation of that act, would the minister indicate whether he is contemplating calling for another international conference on the law of the sea in the hope of securing agreement on this thorny problem? I raise this matter in view of the fact that Secretary Udall is in Canada and the minister might wish to discuss the possibility of another international conference with him at this time.

Hon. Paul Martin (Secretary of State for External Affairs): No conference is contemplated, but I have had recent general discussions with Mr. Rusk on this particular problem, and proposals were made to the United States government some weeks ago. I have asked for a response to a proposal that we have made more recently, and if it is accepted I trust this will enable us to make progress with regard to the establishment of a straight base line system.

VETERANS AFFAIRS

INCLUSION OF MEMBER FOR LOTBINIÈRE IN COMMITTEE GOING TO EUROPE

On the orders of the day:

Mr. F. J. W. Fane (Vegreville): I have a question for the Prime Minister. I ask this

question because today I received a communication from the secretary of the standing committee on veterans affairs indicating that the name of the hon. member for Lotbinière (Mr. Choquette) has been included in the group of committee members making a trip to Europe. I should like to ask the Prime Minister, in view of the fact that the hon. member for Lotbinière has denounced everything for which Canadians fought and died in the past, if he approves of the appointment of the hon. member for Lotbinière to this committee.

Mr. Speaker: Order, please. I do not believe this question is in order.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to point out that the constituency of Lotbinière has been represented for 17 years by the present lieutenant governor of the province of Quebec who was a war hero and I consider this honour bestowed upon me by the Prime Minister as homage to the constituency of Lotbinière.

Second, I should like to deny categorically the dishevelled remarks made by the hon. member.

[*English*]

Mr. Fane: Mr. Speaker, I just want to point out that while the hon. member for Lotbinière is being put on this committee making this trip, he has not been officially appointed to the veterans affairs committee.

Mr. Speaker: Order, please. I suggest to the hon. member for Lotbinière that there is no question of privilege. However, he has made his point, and I suggest that perhaps the matter should be considered closed for the time being.

Mr. Donald MacInnis (Cape Breton South): On the same point, Mr. Speaker—

Mr. Speaker: The hon. member should raise a new point because I have ruled there is no question of privilege.

Mr. MacInnis (Cape Breton South): I raise a point of order, Mr. Speaker, relating to the activities of committees. I should like to inform the Prime Minister that while serving on the special defence committee I found it impossible to go on a certain trip which was made by that committee. The chairman refused to permit a wounded veteran member of this house to replace me on that committee because it was suggested that in the view of the government a practice was developing under which anybody on any committee could be replaced. The view was that if the member was unable to go he could not be replaced, and this view was sponsored by the Minister of National Defence last year.

[*Later:*]

Mr. Speaker, my question was for the Prime Minister, but in his absence I will address it to the Minister of National Defence. Does the minister as a member of the government feel that the substitution made on a committee which is to travel overseas this week end is fair, considering the discrimination which his department practised against veterans last year?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am not familiar at all with any alleged discrimination. I can assure hon. members that this would not be the case if it were known to us. The question of who goes on trips with committees, once the transportation has been arranged, is a matter for the committee to decide, not for me.

Mr. MacInnis (Cape Breton South): A supplementary question. The minister says he is not aware of any discrimination. Is he denying the fact that a former chairman of the defence committee, who is no longer a member of this house, discriminated against the veterans on this side of the house by refusing to replace me on a trip?

Mr. Speaker: Order.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order. As it is necessary for members of this house to accept the word of hon. members on that side of the house, is it not also necessary for them to accept the word of a member on this side of the house? I say that the minister's department discriminated.

Mr. Hellyer: Mr. Speaker, I have no knowledge whatever of the facts of the case but I can assure my hon. friend that the substitution of any member for himself on the committee would have been quite a remarkable improvement.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I am sure the minister is aware that I did not spend my time riding motorcycles during the war. But I will tell him this—

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton South): When he says he is unaware—

Mr. Speaker: May we have order, please.

NATIONAL SECURITY

REQUEST FOR BROADENING OF SCOPE OF COMMISSION OF INQUIRY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is for the Prime Minister and deals with a report which has been tabled by the Attorney General of Ontario outlining the extent of syndicated crime in Ontario. In view of the fact that a commissioner has not yet been named for the inquiry into security, can the Prime Minister tell us whether he is considering widening the terms of reference of that commission to include a study of the national and international aspects of crime syndicates?

Right Hon. L. B. Pearson (Prime Minister): I think this is a separate subject and should not be confused with the commission to which my hon. friend has referred. I realize its importance, and perhaps it will require separate consideration. This matter is being considered also by the federal-provincial meetings of attorneys general.

Mr. Thompson: May I ask a supplementary question. Does the Prime Minister expect to announce the terms of reference of this inquiry before the end of the month?

Mr. Pearson: I certainly hope to do so as soon as I can get the commissioners appointed and the terms of reference officially agreed upon.

[*Translation*]

HOUSE OF COMMONS

FELICITATIONS ON CELEBRATION OF ST. JOHN THE BAPTIST DAY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, holidays were mentioned a while ago. I should like to take this opportunity, as the house will not sit tomorrow, on St. John the Baptist day and the national feast-day of French Canadians, to mention the celebrations that will be held tomorrow and to extend, on behalf of our party, my very best wishes to our French Canadian compatriots and to wish them the realization of their ambitions.

[*English*]

CANADIAN CONSTITUTION

REPORTED STATEMENT RESPECTING JOINT PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to direct a question to the Prime Minister, Mr. Speaker. Will the Prime Minister say whether the statement made by his parliamentary secretary in the adjournment debate on Tuesday night, which appears in *Hansard* at page 6742, on the subject of a parliamentary committee to consider constitutional problems, represents the views of the government on this matter?

Right Hon. L. B. Pearson (Prime Minister): I agree with what was said by the parliamentary secretary the other evening that it was not, in the view of the government, considered desirable to set up that particular parliamentary committee at this time.

EXTERNAL AFFAIRS

VIET NAM—U.S. INTEREST IN VISIT BY MR. RONNING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I would not want the Secretary of State for External Affairs to feel he had been neglected on this natal celebration date. I ask him whether, in connection with the dispatch of Mr. Ronning to Hanoi, the reports in the press that Mr. Ronning was sent without consultation with Washington are correct and whether, after Mr. Ronning arrived there, the United States Secretary of State got in touch with the minister and gave instructions regarding a United States proposal. I ask this because, if that is correct, parliament should know it. I wish the minister would clear this up.

Hon. Paul Martin (Secretary of State for External Affairs): I have already replied to this question. The story in that form is incorrect.

AGRICULTURE

MILK—DEMONSTRATIONS BY ONTARIO FARMERS RESPECTING PRICE

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I should like to direct a question to the Minister of Agriculture. Now that it is a fact that the farmers of Ontario are demonstrating openly

to support their contention that the government's objective with regard to the guaranteed minimum of $4 per hundredweight for milk will not be reached in many areas of Ontario, will the minister state when the present policy will be reviewed in order to bring about this much publicized objective?

Hon. J. J. Greene (Minister of Agriculture): I think the federal government's policy has been well conceived and has been discussed in all detail in the house. I believe the distress of the farmers is being displayed against the provincial government, not the federal government.

Mr. Danforth: May I ask a supplementary question. Is it not true that the provincial Minister of Agriculture suggested to the federal minister during deliberations on this subject that unless $3.25 f.o.b. was the objective, this $4 minimum could not be reached?

Mr. Speaker: Order. That question is argumentative.

HEALTH AND WELFARE

GOVERNMENT ACTION IN U.K. RESPECTING CIGARETTE ADVERTISING

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I want to address a question to the Minister of National Health and Welfare having to do with an article which appeared in the *Globe and Mail*. The article stated that the United Kingdom government is now using persuasion to stop cigarette advertising on radio and television and in films. Will the minister consider similar steps in Canada?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I will be glad to look at what the British experience is and consider whether it could be applied in Canada.

FISHERIES

BRITISH COLUMBIA—DAMAGE TO SALMON SPAWNING GROUNDS BY LOG RUN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. On Monday I posed a question to him relating to the litigation between the Canadian government and the province of British Columbia over log driving on the Stellako river. At that time the minister indicated that he had had no reports on the court case in connection therewith. Then I asked the minister as a supplementary question whether any scientific reports on the log driving which took place last year could be made public and the minister said he would take the matter under consideration. Is the minister now in a position to report to the house on these matters?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in reply to the first part of the question I wish to advise the hon. member that the writ of mandamus proceedings which were supposed to be heard on Monday were postponed until tomorrow at the request of the Attorney General of British Columbia. With regard to the second question, I expect to be in a position to give the hon. member a reply on Monday at the latest.

[*Translation*]

AIRPORTS

VAL D'OR AND ROUYN, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Minister of Transport. Can he tell us if air terminals will be built at Val d'Or and Rouyn this year, and if so, when the work will start?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I cannot say categorically, but every possible effort will be made to get both these projects under way just as fast as possible.

CANADA STUDENT LOANS ACT

PROVISIONS FOR SUPPLEMENTARY PROVINCIAL ALLOCATIONS, ETC.

The house resumed, from Monday, June 20, consideration of the motion of Mr. Sharp for the second reading of Bill No. C-197, to amend the Canada Student Loans Act.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, there are a number of observations I intend to make in regard to this measure. When it was originally before the house Her Majesty's loyal opposition gave it their support, at the same time pointing out that the measure did not in any way conform with, live up to or equal the promise made so widely during two election campaigns that if the Liberal party were elected to office 10,000 scholarships per year

would be made available to students in our universities. As yet there has been no action in respect of a promise that was so widely made and so generously supported by many thousands of university students, who believed that political platforms were designed to convey the truth rather than hope and expectations not carried out.

Canada's Economic Council has stated—

Mr. Starr: Mr. Speaker, I rise on a point of order. I wonder whether you would bring to the attention of the government benches the fact that a debate is proceeding and that the Leader of the Opposition is trying to make himself heard.

Mr. Speaker: Order, please. The point is well taken. There are so many conversations going on at the moment that it is extremely difficult for the Chair or anyone who wants to follow the debate to do so. I would ask the co-operation of all hon. members, and I ask those who must carry on conversations to do so in the lobbies or behind the curtains.

Mr. Diefenbaker: Mr. Speaker, it was not I who raised the complaint. Usually hon. members opposite start to listen after I have spoken for a while, and I have that expectation today. What I intend to present will be uncontroversial but I believe it is necessary for a full understanding of the measure before us.

I was about to quote from the report of Canada's Economic Council which has stated that the aim of Canada as a whole should be to provide a ready opportunity for higher education to every qualified Canadian student so that financial obstacles will be eliminated as a barrier to higher education.

When we were in office, Mr. Speaker, we proceeded to do many things on behalf of the attainment of this objective. I think it well, so as to keep the record straight, to place before the house and the country a general summary in this regard. During the days of the administration when I was Prime Minister there were made available for the first time long-term, low-interest loans to universities for construction of student residences. There were made available loans to Canadian universities to construct living accommodation for resident students. These loans amounted to a very large sum, a total of $41 million.

We also made possible the building of student residences and, doubling the number, additional residential accommodation for 10,000. We encouraged university students by providing for the deduction of tuition fees for income tax purposes. We provided special assistance to parents who were supporting their children at university by allowing exemptions even after the students had reached the age of 21 years. In addition, Mr. Speaker, we implemented legislation increasing the monthly education allowance for the children of war dead from $25 to $60 a month. These are a number of measures that we took in order to make possible the expansion of opportunities for education within our country.

• (3:40 p.m.)

The figures we have before us as to the cost of higher education in the years ahead are staggering in amount. Indeed, according to the figures issued by the bureau of statistics in December last, the cost of formal education and vocational training during 1964-65 amounted to $3,250 million. Within a very few years the amount will have to be increased to an almost astronomical extent. The full time enrolment in Canadian universities and colleges is going up at a rate that demands that there shall be, in ever increasing measure, national assistance in this field if Canada is to meet and discharge its national and international responsibilities. Whereas the enrolment in 1964-65 in Canadian universities was 180,000, by 1975 it will rise to 461,000. This means that great and challenging action must be taken to meet the potential needs of education within this nation.

The policy of the Conservative party in this connection was to increase research grants to the National Research Council, to increase greatly grants to the Medical Research Council, to increase university grants by the Canada Council, to carry out the recommendations of the Hall royal commission in the education and health field and to set up a capital fund for research and teaching hospitals. In order to encourage wealthy men and women across this nation to make grants to universities and institutions of higher learning the amount of income tax deduction now applicable with respect to such gifts should be materially increased. I believe that we must take effective action.

For many years the attitude has been that, because of the constitutional allocation of education to the provinces the federal parliament ought not to take any action in this field. During our period of office we were able to bring about an agreement with the

government of the province of Quebec regarding university grants. That, I believe, marked the first time that, while maintaining constitutional responsibilities and assuring that there would be no deviation from the explicit words of the constitution, effective action was taken.

I welcome the increase in the amount to be made available for loans. I was most interested in the remarks of the Minister without Portfolio (Mr. Turner). I always listen to him with attention because of his scholastic ability and also because of the manner in which he presents his arguments in the house. He is one of those younger members in this chamber—and I could name at least a dozen others—who have caught the feel of the House of Commons and thereby are assured that what they say will receive the attention of hon. members. He produced a most novel alternative to the failure of the government to bring about the 10,000 scholarships. We saw those scholarships marching. All across this nation students were looking forward to a change of government which would bring about these scholarships. And what did they get? Well, after some delay, they were given not scholarships but debts. They were put in a position where, at the end of their four or five years in university, they would start with a nest egg of $5,000 of debt.

With the minister's experience it was obvious to him that this policy was not as excellent a one as he would have devised had he been devising a policy. So, Mr. Speaker, he evolved an alternative. Why the scholarships that were promised have never been produced, why they have never gone beyond the embryonic state of election promises, we do not know. But he has developed the philosophy that what the Minister of Finance (Mr. Sharp) should do is to provide that these loans will be discharged at the end of each year, provided the individuals taking the loans have reached a satisfactory standard. Even the scholars in the middle ages could not have arrived at a more delicate alternative. I am waiting with anticipation for the Minister of Finance to explain to his fellow members of the cabinet that the plan evolved by the Minister without Portfolio does not meet with the approval of the minister who is responsible. Or does it?

In this most unusual exhibition of rising in the house and, while giving his support to the legislation, suggesting what might have been better, was the Minister without Portfolio flying a kite that the Minister of Finance is ready to accept? The suggestion certainly is good. It gets away from all the difficulties of scholarships. Does the government intend now to carry out the philanthropic suggestion evolved by the Minister without Portfolio as an efficacious way of bringing about the 10,000 scholarships and more without in any way contravening the constitution?

I look forward with keen anticipation to the Minister of Finance advising the Minister without Portfolio as to his reaction to this most unusual proposition. Constitutionally, it has never taken place before. The Minister without Portfolio suggested he could produce examples. At the time he spoke I could not recall any. I have not had the lengthy period in the house that the Secretary of State for External Affairs has had. He has had five years more. But in the time I have been in the house I have never known a minister to do that which has been suggested. Of course, if the constitution can be developed from precedent to precedent we indeed have a new precedent when a minister no longer finds it necessary to conform to cabinet solidarity when he speaks in the house.

• (3:50 p.m.)

I say again that it was a novel suggestion. It is one which will mean a cost to the country of some $50 million a year and it might even be more than that. But the very fact that the idea was advanced by the Minister without Portfolio, a distinguished student, means, I am sure, that it is something the Minister of Finance will grab on to and hold fast, as the Scripture says. Or will he discard it? If he discards it, it is passing strange how the Minister without Portfolio can remain in the cabinet when he holds such strong views on a matter of such importance to the nation.

I agree with him and with the representation he made in this house, albeit in a most unusual constitutional display, that this loan system should include evening and part-time students. I think it was an excellent suggestion and I repeat it again for the benefit of the minister lest he missed hearing it from one of the influential members of the cabinet with a knowledge of the subject. Does he intend to implement this suggestion, which is an excellent one?

With regard to the question of fees, may I say I tried to follow the Minister without Portfolio as he dealt with this matter. Personally I do not agree with an hon. gentleman to my left—I forget who it was—who

advanced the idea that the days when students should struggle are entirely over.

Mr. Lewis: It was I.

Mr. Diefenbaker: All of us have had the experience in our university days of working our way. I did all kinds of jobs, as did the Minister of Finance. I tried teaching once under a temporary licence. I worked hard at that school. But when the inspector came along during school hours I was out shooting gophers. That was not on the curriculum that year.

Mr. Sharp: Did you have a licence for that as well?

Mr. Diefenbaker: In those days licences were not required. That was before the days of the C.C.F. in Saskatchewan.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Sir, I think the solution to this problem lies in making available larger amounts in unconditional grants to the various universities than have hitherto been passed on to them so that they in turn may reduce the amount of the annual fees.

Today fees have risen to such a point that they are almost prohibitive. In my day $35 or $40 a year represented the amount of fees required. All that is changed and many students today find it difficult to carry on at the rates which now exist and which are increasing year by year. I believe that as the parliament of Canada makes available increased grants to universities, as it must—there is no escaping that—there is no reason why those sums should not be in the form of conditional grants with a provision that the amount of the fees paid by university students should be reduced. There is no interference there with the authority of the provinces over education. Nobody has to accept a grant. But if a grant is accepted it should be passed on in part for the benefit of the students.

These are just a few suggestions I wanted to make in a desire to bring about further changes and in conformity with the lead given by the Minister without Portfolio. In other words, they are intended to improve this legislation by bringing about changes during the months that lie ahead.

We will never realize our national destiny unless we make education available to those who are able to profit from it. In the province of Ontario tremendous advances have been made under the Robarts government. I think of what the minister of education, Hon. Mr. Davis, has done in setting up community colleges. This was an excellent step and one which I think should be followed across the nation for the benefit of all. I believe that only 7 per cent of those of university age are able to attend universities. Some 30 per cent have the necessary capacity. The failure to make available a university education for that 23 per cent is a national waste. No one today has to prove that an education is of benefit economically to the individual as well as to the nation. I do not intend to go into that aspect of the matter on this occasion but there are many statistics on it.

It will be said that anything done in this connection will cost money. Well, this is the kind of expenditure which will bring dividends to the nation as a whole. It is because of this that I place before the minister these few suggestions, assuring him that any steps taken which have full regard to the constitutional division of powers and will expand and develop educational benefits will receive support.

• (4:00 p.m.)

I conclude with one further suggestion. Today we hear young men and women complaining about parliament and criticizing its operation and effectiveness. If any of them could hear in this house the young members elected to it within the last couple of years, that would be an answer to those who contend that parliament is not a living and vital place. Nothing more pleases one who has been here for years than to watch young men and women rising in the house, developing their talents and making their contributions, and I think it would give a tremendous lift to the youth of the nation if one more portfolio were added to the cabinet, a ministry of youth to bring together and correlate the various matters that particularly come within the ambit and influence of young men and women.

Such a ministry would give youth new hope. Young people come here regularly on visitations from various schools and other educational institutions. I have noticed the change in them after they have visited parliament. They come to scoff but when they return home, their viewpoint has changed. One of the finest examples of that was given in a recent radio broadcast over the C.B.C. by a young student, Michael Wood, of Milton consolidated high school, Milton, Ontario. I

do not know how many hon. members listened to him, but his was a tremendously moving statement. He indicated that when he came here on one of the Rotary adventures in citizenship trips his views of parliament were not laudatory, but then he saw parliament as it is.

That is why I suggest that we could give this institution a greater appeal to young men and women were we to set up a department of youth with one of the young members —there are many of them who are qualified—in charge of it to be a central bureau or kind of clearing house for the young men and women of the nation so that all of them would feel not only a personal interest but also would feel that by such an appointment they had become partners in making parliament a better place.

Some hon. Members: Hear, hear.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to make three short observations at this point. Needless to say, the first is that I am happy to lend my support to this very popular piece of legislation. The proof of its popularity lies in the use that has been made of it. I know it is administered by the provinces but I am sure the federal government has a great deal to say about its administration.

Second, at present a new approach is being taken to increase the facilities of universities by adopting the summer semester idea whereby a student can do a year and a half's work in one year by making full use of a university during the summer. This idea has been put into practice at the University of Guelph in my riding, but it makes it necessary for a student to have more money over a one year period since he has to attend three semesters rather than two as in the past. I would like to be assured that this is taken into account by the various provinces.

The third observation I wish to make concerns the application form which a student and his parents must fill out when applying for a loan. I have before me one such application form from the province of Ontario which seeks some very personal and confidential information, including a statement of resources to be completed by the parents. It asks for information concerning salaries and wages, total income, other income, life insurance, whether their home is owned by themselves, its present market value, the amount of unpaid mortgage, details of other real estate and details of their bank accounts, both personal and savings.

[Mr. Diefenbaker.]

I realize that such information is necessary in order to determine whether a student is in need of funds and I would quite agree with such an application form being retained in the hands of the banker who administers the loan, but when the information becomes generally known to university officials, including the registrar and everybody in his office, this is a mistake. Such confidential information should be retained in the hands of a banker who is in the habit of treating all such matters personally and confidentially. Again, Mr. Speaker, I wish to say that I lend my support to this very fine piece of legislation.

Mr. John Gilbert (Broadview): Mr. Speaker, the principle of this legislation has been dealt with by party colleagues of mine but there is one point I should like to make to the minister, namely, that special treatment should be given to students who join The Company of Young Canadians or CUSO after graduation. In those cases there should be a moratorium on repayment of the loans. Such students will be directing their talents and energies to very worth-while purposes and should not be penalized by having to make payments during their period of service in these organizations. I would ask the minister to make a statement on this point when he is closing the debate.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, I would like to join with other hon. members in congratulating the Minister of Finance (Mr. Sharp) for introducing these amendments to the Canada Student Loans Act, and to lend my support to the remarks made by the Minister without Portfolio (Mr. Turner) in appealing to the minister to take into account the many part-time and night-time students attending our institutions of higher learning in order to improve themselves and obtain better jobs in this era of advancing technology.

I also associate myself with those hon. members who have appealed to the minister to take into account those students who are improving themselves by attending summer seminar courses, thereby proving to their fellow citizens that they are willing to give up their leisure and other pleasures during their summer vacation in order to get a higher education.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, the last time I spoke on this subject was on June 13 and one point I raised

at that time has since become rather widely publicized. I asked what was being done with the loan fund in the province of Ontario and said that the fund was being perverted by the provincial government in order to integrate it with the provincial bursary system.

• (4:10 p.m.)

In an article in the Ottawa *Citizen* of June 21, 1966 I note that this matter was raised by the Canadian Union of Students and by some students from the University of Ottawa. They had protested to the Ontario minister of education about what was being done. I should like to quote a brief segment of the article:

> Charges of "forced loans" were made on the basis of provisions requiring that the first $150 aid is a loan and anything more is 60 per cent loan, 40 per cent bursary.
>
> Miss Larkin—

Who presented the brief.

> —said in an interview Mr. Davis was wrong to force loans.

I agree. It always was my understanding that these loans were to be part of a co-ordinated program, that there would be loan, bursary and scholarship funds and that students in varying circumstances would be able to obtain assistance from whichever fund best suited them.

It seems that the province of Ontario has taken the students loan fund and has perverted it by changing it completely from its original basis. It may well be that under the arrangements made with the provinces the Minister of Finance (Mr. Sharp) does not have the authority we would like to see him have in respect of the distribution of these moneys. I suggest to the minister and to the cabinet that when this matter comes up again in the fall, as I understand it will, perhaps more reasonable provisions might be worked out with regard to what is to be done with this money.

I do not like to see the loan fund tied into the bursary fund because the two are quite different. As one who had a bursary as well as small loans from individuals when I went to university and also has had some experience in teaching at university, it is my opinion that this is not a good thing. It places an unnecessary burden on the student. The students have a hard enough time in university now without having to face the problem of applying for a bursary and ending up instead with a loan.

The Acting Speaker (Mr. Rinfret): May I remind hon. members that if the minister speaks now he will close the debate.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, many hon. members have taken advantage of the debate on the Canada student loans bill to express their views on education and educational policy generally. I have listened with very great interest to this debate. I think it has been a very useful one and has shown a remarkable unanimity of view among the parties in this house in respect of the importance of education and the large part government aid to education is necessarily going to play in the future. As one of those who had difficulty in obtaining a university education and, like the Leader of the Opposition (Mr. Diefenbaker), had to resort to various means of financing, I can heartily sympathize with the desire of all members who have participated in this debate to be sure not that university education becomes more easily attainable but that all those who have the ability to benefit from a university education obtain it.

As I said on a previous occasion, this problem is not going to be solved simply by making university education freely available either without charge or with such aid as would make it possible for students to obtain it. The problem is much deeper than that; it extends below the university level. One of the most difficult and serious problems we face is ensuring that those students who should be able to benefit from a university education do in fact graduate from high school. So the problem is one of far reaching difficulty and complexity.

I also agree with those who have spoken who have mentioned the magnitude of the financial requirements to ensure that our young people are adequately educated. As Minister of Finance I am very conscious of that; I am very conscious of it in relation to federal-provincial discussions. This is a question which must be discussed with the provinces. It is, if not entirely, certainly their primary responsibility. It is primarily the responsibility of the provinces, but that does not discharge the federal government from the responsibility to see that adequate educational opportunities are available to all Canadians. It does mean that we must work together with the provinces to achieve these desirable goals.

The Leader of the Opposition referred to the comments made by my colleague the Minister without Portfolio (Mr. Turner). I am

not a parliamentarian of great experience like the Leader of the Opposition and therefore perhaps it did not shock me quite as much as it did the right hon. gentleman when my colleague got up and expressed some views about education and put forward some of his own personal suggestions as to how this legislation might be improved in the future. I do know that my colleague, as he said, supports this legislation, but like many of us in the cabinet he hopes that in the future it can be improved still further. He put forward some suggestions, which he has made privately in other places and which I was glad to hear him put forward in this house, about how in the future we might move to make this legislation even more useful than it has been to date.

In general, during this discussion there has been agreement in respect of the aims of the Canada student loans plan and the amendments which now are before the house for consideration. In order, I hope, to shorten discussion in committee I should like to provide some answers to questions which were asked during the debate on the resolution stage and on second reading. The Leader of the Opposition asked about the eligibility of students from other countries. The Canada Student Loans Act defines a qualifying student as, among other things, one who (a) is a Canadian citizen or (b) has been resident in Canada for a period of not less than one year and has declared that he intends to reside in Canada after he ceases to be a full-time student.

In practice this means that a non-Canadian may be eligible if he has landed immigrant status. It does not include students from other countries entering Canada on a student's visa. Students from other countries applying for a student's visa for study in Canada must sign a declaration that they have sufficient funds to support themselves while in Canada. This financial support, of course, may come from Canadian sources in the form of scholarships or assistance under such programs as the Colombo Plan, but it follows that such students are not in need of and do not qualify for student loans.

Hon. members may recall that when the Canada Student Loans Act was introduced in the house nearly two years ago the minister of finance stated at page 5443 of *Hansard* of July 14, 1964:

> Students who are residents of other countries will not be eligible for loans under the Canada student loans plan. Students from the richer countries abroad who choose to study here will have their own sources of finance; with our universities already crowded we do not consider we should offer them special inducements to come here. Students from the less developed countries may, of course, obtain educational assistance under several Canadian programs.

[Mr. Sharp.]

• (4:20 p.m.)

I might mention further on this point that in order to avoid hardship for immigrants who have been in Canada for not much more than a year the provinces have agreed upon a residence formula which includes the case of landed immigrants. I refer here to the report on residence, which is included in appendix A of *Hansard* for June 11, 1965. This report forms part of the federal-provincial agreed criteria which are being applied in the administration of the plan and to which I referred in my opening statement when the resolution was being debated.

The hon. member for Burnaby-Coquitlam (Mr. Douglas) asked how the $58 million in the new basic loan provision is to be allocated among the provinces. The basic loan provision in the loan year 1965-66 will be allocated to all provinces and territories on the basis of population in the 18 to 24 year age group. The act provides that in subsequent years the basic allocation will be increased each year at the same rate as the estimated growth of the population in Canada in that same age group. This rate of increase has been about 5 per cent.

In addition to the basic loan provision, which is $58 million for this year, the bill provides for a discretionary amount equal to 20 per cent of the basic loan provision, that is, $11,600,000 in the current year, all or any part of which the Minister of Finance may allocate to any participating province where the demand for loans under the agreed criteria exceeds that province's basic allocation. As I explained in my statement on the resolution, this supplementary allocation provides the flexibility required to adjust allocations to the varying degrees of demand for student loans from province to province.

The hon. member for Vancouver-Burrard (Mr. Basford) suggested that the regulations be amended to extend the interest and repayment free period for borrowers while serving with CUSO or The Company of Young Canadians. This question was also raised by other hon. members. Representations to this effect have been made on several occasions recently and have been given very careful consideration. Legal advice has been obtained to the effect that such a change could be made only through an amendment to the act, not by regulations.

The reason we did not bring forward a change in the act in order to provide for this kind of flexibility is this. The Canada student loans plan is a very general measure applying to all provinces but one, and the effectiveness of such a general measure depends to a large extent on the basic simplicity of the plan. It was never intended to cover all requirements of all students but to serve as a broad base in the student assistance field, to be supplemented by other governmental and private schemes which should cover more specific situations. Any provision to afford a particular group special treatment under the plan would inevitably lead to representations for similar treatment by other groups who, at least in their own views, consider themselves equally deserving of special treatment.

The act and the regulations in their present form provide a bank, of course, with a good deal of flexibility in setting repayment terms with due regard to a borrower's probable ability to repay his loan, and it would be quite within the spirit of the legislation if a bank scheduled the repayments of a candidate for The Company of Young Canadians or CUSO over the maximum period provided for in the legislation, namely, ten years from the month of graduation.

This could at least partially meet the problem raised in individual cases where the amount of the loan owed is relatively small. To the extent that there remains a problem it seem to me and to the government that it could be dealt with more appropriately and directly through the provision of funds to The Company of Young Canadians and to CUSO for the purpose of helping to meet financial problems of highly desirable volunteers who, because of certain financial obligations, would not be able to serve without such special assistance. That is the brief answer to the point. It does seem to us to be more suitable for the special needs of candidates for The Company of Young Canadians and CUSO to be met by those agencies rather than by any forgiveness or special treatment under the Canada student loans plan.

The hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) referred to opposition to the Canada Student Loans Act two years ago on the ground that education is under exclusive provincial jurisdiction. He asked whether the views of the new premier of Quebec had been ascertained and, if not, whether I intend to get in touch with the new premier in order to know whether his views are the same as his predecessor's.

The act provides that if the government of a province advises the minister before the beginning of a loan year, that is before July 1, that a provincial student loan plan will be in operation in that province in that loan year and that no appropriate authority for that province will be designated for the purposes of this act, the minister shall pay to that province an alternative amount calculated in accordance with section 12(2). I am bringing this provision of the act to the attention of the new Quebec premier.

Those were some of the main points that were raised. Toward the conclusion of the debate today and on several other occasions comments were made about changes that have been made by the government of Ontario in the administration of its bursary plan. I would not wish to give the impression that all the changes that have been made by the province of Ontario are exactly what we would have approved, but I do believe it is in the interests of the federal plan, and ultimately of the students themselves, to have student aid resources used in such a way that the limited amount of aid that is available, particularly bursary aid, will go as far as possible to meet students' needs. So where a province integrates the federal loan scheme with a provincial bursary scheme it is entirely within both the letter and the spirit of the federal plan to have the provinces decide how and in what ratio it wishes to meet the needs from loan and grant sources. We may wish to critize some provisions of the Ontario plan, but I did feel it desirable to say that in principle we do not find its plans to be unacceptable.

Comments were made by some hon. members about the extension of these loans to night students and summer course students. My colleague the Minister without Portfolio made this suggestion. I am sure that all of those who have had experience in attending night school will know that one of the main reasons for having student aid available in the form of loans or bursaries is to avoid night study by students, which is not a particularly satisfactory way of carrying on one's education. It seemed to me when I was a student, and I am sure this is so today, that the problem is not one of being able to finance the limited cost of night study. The purpose of the Canada Student Loans Act is to see that students can attend universities in the day time for full-time study.

We are prepared, of course, to have another look at this problem. As my colleague, the

Minister without Portfolio, knows, a great deal of part-time study is done in one of the great institutions in his city, Sir George Williams University, and that is a provincial rather than a federal matter. I do know that in the city of Toronto there is a good deal of night study going on and we have not by any means dropped our consideration of this question for the future.

• (4:30 p.m.)

That hon. member also expressed concern over the lack of reciprocity between the Canada Student Loans Act and the Quebec student assistance plan. I am sure that hon. members will understand that this is a matter for negotiation between the province and the federal government. We have done some work and the agreement on residence that was worked out at a recent federal-provincial conference is evidence of the fact that we are concerned about the problem. Had it not been for the changes of government in various provinces in this country we would probably be engaged even now in discussing with the provinces this and other matters affecting educational policy.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

Clause 1 agreed to.

On clause 2—*Limitation on aggregate amount.*

Mr. Monteith: Mr. Chairman, I was not quite clear about the minister's explanation with regard to the 20 per cent supplementary allocation which amounts to roughly $11.6 million, I believe. Is it the fact that this amount is available only if all the other provinces do not take their full allocations?

Mr. Sharp: Mr. Chairman, the answer to that question is no. The 20 per cent is over and above the $58 million. We will make an allocation of the $58 million and then we will have 20 per cent of the whole to use in supplementing the allocations in those provinces where needs exceed the original allocation. I should point this out because I am sure it is a question that will arise in my hon. friend's mind. We do not make these supplementary allocations except in agreement with all the provinces.

Mr. Monteith: Then actually the amount available is $69,600,000?

Mr. Sharp: That is right.

[Mr. Sharp.]

Mr. Haidasz: I should like to ask the Minister of Finance whether any consideration has been given by him or his officials to extending the age limit for students wishing to borrow under this plan from 25 to 30 years of age.

Mr. Sharp: This is the first time I have heard this question raised and I will have to give consideration to it. It was not a matter that was urged upon us. But I shall certainly try to find out whether there is a problem here and if so I will bring forward amendments in the future.

Mr. Monteith: I have one further question in connection with the $11.6 million. The $58 million is statutory. Will there be a supplementary estimate for any other amount that is necessary?

Mr. Sharp: This bill appropriates not only the $58 million but the supplement as well.

Mr. Prittie: Mr. Chairman, I should like to add to the point raised by the hon. member for Parkdale. More and more people over the age of 25 are attending institutions of higher learning. In many of our large metropolitan cities today high schools are given over completely to adults who are going on from high school to college, university or technical institutions. I think this is a subject that bears looking into.

Mr. Sharp: Mr. Chairman, I think there is some misunderstanding here, and probably the reason this question has never been raised is that the problem does not exist. All that is provided for in this clause is the allocation of the funds amongst the provinces. So far as I know there is no age limit in this respect. This clause deals only with the allocation of moneys among the provinces on the basis of the 18 to 25 age group.

Mr. Lambert: Mr. Chairman, I am sorry I did not hear the minister's statement earlier this afternoon. The other day on second reading I raised the question of whether negotiations had been entered into with the provinces in order to provide an extension of the period of forgiveness during which a student would not have to start repaying the loan, in view of the increasing activities of CUSO and now The Company of Young Canadians. The minister may have given the answer. If he did, I regret that I was absent attending the defence committee and did not hear it.

Mr. Sharp: Mr. Chairman, as the committee knows, I did attempt to answer that question when I wound up the debate on second reading. In brief the answer is that we believe the needs of students who are candidates for The Company of Young Canadians or CUSO should be met by those agencies rather than the Canada Student Loans Act. In principle we accept this responsibility.

Mr. Lambert: What I mean is this. If a student had borrowed from the fund during his university training and upon graduation became a member of The Company of Young Canadians where the earnings are actually very restricted, do I understand from the minister's answer that while serving with The Company of Young Canadians the period of repayment would be deferred?

Mr. Sharp: I did suggest in a very general way, because I knew this would be the subject of individual negotiation, that those agencies would themselves help the student to meet the payments and extend the period in that way.

The Deputy Chairman: Shall clause 2 carry?

Clause agreed to.

Title agreed to.

Bill reported.

The Deputy Chairman: When shall the said bill be read the third time? Now, by leave?

Mr. Lambert: Now, by leave.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CUSTOMS TARIFF

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-200, to amend the Customs Tariff.

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

Mr. Lambert: Mr. Speaker, in view of the comments made at the resolution stage I wonder whether the minister intends to make a statement at the beginning of the debate on second reading or on the particular clauses of the bill? The bill is very short.

Mr. Sharp: Mr. Speaker, when the budget resolutions relating to the Customs Tariff were under discussion I made some comments on these items, although not very extensive ones because they are not of far-reaching importance. I have nothing further to say on second reading. My officials will be before me in committee and at that time I would be prepared to answer questions.

Mr. Lambert: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

• (4:40 p.m.)

On clause 1—*Schedule A amended.*

Mr. Lambert: The other night, Mr. Chairman, I raised a question about item 41105-1 in schedule A which refers to captive balloons having a volume of 150,000 cubic feet or more. I was interested in particular in the incidence of the entry into Canada of this item and of the use to which it is put. I understand they are used in the logging industry in rather inaccessible places to anchor certain equipment. I should like to know just what the volume of entry is or was the item inserted at the request of one or two operators?

Mr. Sharp: Mr. Chairman, my understanding is the same as that of the hon. member for Edmonton West. These balloons are used for the transportation of logs in the mountains. The item aroused in me the same curiosity as it has in the hon. member. I understand that the item was requested by an industry which pointed out to us this new technique. Experimental work is being carried out on the west coast whereby these balloons are used to transport logs over rough terrain. The balloons are expensive. The request has been supported by the British Columbia Loggers Association. The balloons are controlled by cables, winches and so on. There has been no opposition to the request. There is no one who feels this is going to do damage to local production in Canada.

Mr. Lambert: One of my colleagues has suggested that these might be oversized trial balloons which the government might want in order to float some of their more difficult policies.

Mr. Barnett: Would the hon. member for Edmonton West allow me to interject at this point? I am interested in his remarks about trial balloons. However, I was going to suggest that perhaps the hon. member for Edmonton West and the Minister of Finance

would care to visit my constituency during the recess when they might have an opportunity of seeing one of these mysterious balloons in operation.

Mr. Sharp: I am always much more interested in trial balloons that have a useful purpose than those which sometimes are tried out on political issues and which usually are punctured and collapse quickly.

Mr. Lambert: I should like to refer to item 70505-1 which covers goods imported by a settler for his household or personal use. Could we have pointed out the difference between the item incorporated in the schedule and what the item was before? I am sorry, but I do not have the whole of the Customs Tariff before me.

Mr. Sharp: Mr. Chairman, this item replaces two items that have been in the tariff for a number of years and which provided free entry for a specified list of settlers' effects. The new item represents a consolidation and simplification of the former item. Previously the goods had to be owned abroad by the settler for at least six months in order to qualify for free entry. The first change of substance is that under the proposed item the goods must still be in his possession to be entitled to free entry but the six months' ownership requirement has been dropped. The six month's ownership requirement has been a continuing source of irritation to settlers who were not aware of it.

The second change of substance is that formerly a motor vehicle brought in by a settler was dutiable on its value in excess of $2,500. This provision will no longer apply. In addition, formerly the item listed the goods which were entitled to free entry and under the new item the goods will be defined by the Minister of National Revenue.

Clause agreed to.

On clause 2—*Schedule B amended.*

Mr. Lambert: There is only one item under clause 2. I want to make it clear, because some confusion seems to have arisen in the minds of people concerned with some industrial shops, that both the 99 per cent drawback and the removal of the sales tax under Bill No. C-198, I believe it is, will be generally applicable on those items and on dies, jigs, fixtures or moulds or any equipment going into the manufacture thereof. The provision is definitely limited to the production of dies, jigs, fixtures and moulds used in the production of automobiles and motor vehicle parts. I take it this measure is in consequence of the announcement made by the minister or one of his colleagues some months ago, that this step was being taken in order to place Canadian parts manufacturers in a more competitive position with their United States counterparts who would not be faced with the same customs duties or sales taxes.

[Mr. Barnett.]

Mr. Sharp: Yes, Mr. Chairman, that is correct. This item provides for a 99 per cent drawback to be given on machines and certain equipment of a class or kind not made in Canada used in the manufacture of motor vehicles or parts, and the manufacture of dies, jigs, fixtures and moulds used in making motor vehicle parts. Previously a drawback could only be claimed by the manufacturers of motor vehicles or motor vehicle parts. This now applies much more generally. The addition of the words, "or when used for the manufacture of dies, jigs, fixtures or moulds which are used in the production of automobile or motor vehicle parts" will allow this drawback to be claimed also by Canadian manufacturers of these articles as well as by automobile manufacturers themselves.

Mr. Lambert: There is nothing that appears in the schedule, nor so far as I can see in Bill No. C-198, to the effect that there will be a discretion where these machines are of short life and are highly expendable as a result of model changes and rapid technological advances. There is nothing to indicate that it is for this reason they are getting this customs and excise tax relief. Somehow or other the impression has gotten abroad that there is an element of discretion as to those which are short-lived and those which are not. If there is any such discretion or discrimination perhaps that can be cleared up.

Mr. Sharp: In this item there is no discretion. The item is as described. It may be that when we get to the Excise Tax Act I will have to look at it. There is something also in my mind about that, but I am not sure.

Clause agreed to.

Clauses 3 and 4 agreed to.

Schedule A agreed to.

Schedule B agreed to.

Schedule C agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time?

Mr. Lambert: Now, by leave.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (4:50 p.m.)

EXCISE TAX ACT

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-198, to amend the Excise Tax Act.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the other night when we were discussing this measure I raised a number of questions. At that time I was hopeful that we would receive some general answers to the points which were raised, but for some reason or other the minister deferred the answers until the clause by clause study. I think it would have been a little more helpful had we been given answers at that time.

One point that I particularly raised was why sales tax was now being imposed on tire retreads. I think the minister will remember that I asked him what was the reason for this. If we go back in history, the last changes made to the Excise Tax Act were in 1963. I cannot put my finger on how this particular change was made since the 1963 statute makes no mention of tire retreaders. However, I suspect that it was done by the removal of an exemption and the restoration of a general item and therefore the exemption disappeared from the 1963 version in that way.

It appears that at that time the minister of the day felt that tire retreading for stock should be subject to sales tax. In other words, a tire retreader who was purchasing or accepting used tires for incorporation into his stock and was then selling them after retreading should collect sales tax on the retreaded tires which were being drawn from his stock.

I do not know what representations were received by the government at the time but I suspect there was some pressure by the tire manufacturers. The net result, of course, is that some 600-odd tire retreaders in the country have suffered an extensive diminution in sales of retreaded tires taken from stock. It has also resulted in the manufacturers of tires, of whom there are only six or seven in the country, being able to flood the market with third and fourth line tires which are actually cheaper than good retreads.

The reason I am raising this point at this time and not on the item is that I think a matter of principle is involved at this juncture with regard to retreaded tires. The minister's colleague, the Minister of Industry (Mr. Drury), is now busily engaged with his officials and perhaps with provincial governments in improving automobile safety. Yet action has now been proposed to the government which will serve to negate a goodly part of any campaign for automobile safety. It is not only the body and the parts of an automobile that are important but also the tires. There is also no doubt in anyone's mind that a retreaded quality tire is a superior tire to any third or fourth line tire which undersells it. So the left hand is now being used to negate something that the right hand is attempting to do.

I should like the minister to look at this particular situation. I know it is much more evident now than it used to be. I submit to the minister that it is quite possible to purchase a third or fourth line tire for $13 or thereabouts, sometimes even as low as $10, but certainly no retreaded quality tire can be purchased for that amount.

There is the added question of the individual motorist making up his mind whether he will purchase retreaded tires or buy new tires. If it is now going to cost him an additional 11 per cent on the price of the retreads, as provided for under the amendment to the act, then the price differential between a retreaded tire and a cheap, new tire is made much narrower.

I am also wondering, Mr. Speaker, why there is an extension of sales tax into the services field. The custom retreading which is provided for and made taxable under clause 2 of the bill is in the same category as, for example, shoe repairing. Suppose the minister or I went to a shoemaker to get our shoes repaired or rebuilt. If a retreader of tires is deemed to be a manufacturer or a rebuilder, certainly there are many shoe services performed which in essence constitute a rebuilding of shoes. But there is no thought or suggestion that sales tax should apply to such services. Nor is there, as in this particular case, a sales tax imposed not on materials but on labour. This does not apply in other instances. For example, we do not pay excise sales tax on a rebuilt motor. We do not pay excise sales tax on a rebuilt television set.

Why should there be sales tax on a rebuilt tire? It is really a matter of being logical, unless particular pressure has been brought to bear.

I do want to discuss this matter further under the particular clause, Mr. Speaker, because I can point to a great number of differences. For instance, the minister is imposing sales tax on a stock tire in part twice. First of all, when the tire was new the full 11 per cent sales tax was paid. When it becomes used and is brought back into the shop, exchanged for another tire and is then retreaded, tax is again collected on the retail sales price to the customer. Incidentally, this is the only area in which excise sales tax is collected at the retail customer level. Why the discrimination?

If it is felt that there must be some revenue forthcoming, sales tax could be collected on the value of the materials which went into the making of the tire. But why treat the tire retreader as a manufacturer? As a manufacturer he would have to pay sales tax on the value of the rubber materials and any other materials he might have to use to make tires. I do not think there could be any great objection to that, but there is a vast difference between that and asking for the levy of sales tax also on the labour which goes into the retreading of tires.

• (5:00 p.m.)

I know that the minister has received representations in regard to the matter and I have too. As a matter of fact, the point I raised the other evening has brought forth a flood of telegrams from one end of the country to the other. I was interested in what the minister was trying to do even before there was contact with any people in the industry, because the amendment intrigued me. Why are we now moving into the services field with respect to sales tax? This is an extension of this tax and I am interested in the philosophy behind why it is being done. I should like to raise other points as the clauses come before us. However, I should like to hear from the minister at this time since my remarks are directed to the principle of this bill.

Mr. Sharp: Mr. Speaker, by speaking now I would close the debate.

The Acting Speaker (Mr. Rinfret): May I remind hon. members that if the minister speaks now he will close the debate.

[Mr. Lambert.]

Mr. Sharp: The hon. member for Edmonton West has raised a very pertinent question and one that has caused me a great deal of concern. Perhaps I might be permitted to give a general explanation and then talk about this particular activity.

When an activity is considered to be an act of manufacture or production for sales tax purposes, the person performing such activity must pay tax on the selling price of the products resulting from this activity. The general definition of manufacturer or producer in the Excise Tax Act is broad enough to encompass all activities resulting in the creation of new products, and also all rebuilding or remanufacturing of goods if the commodities involved are the property of the rebuilder or the remanufacturer and are sold in the same manner as new commodities. That is the present act before amendment.

Everyone who is engaged in production or manufacturing, whether he is remanufacturing something he owns or whether he is manufacturing a new article, is subject to sales tax. That is a well established principle of the Excise Tax Act and has been in effect for a long time. However, up until this amendment to the act the federal sales tax did not apply to services. This has sometimes caused problems in areas where services rendered to repair old commodities account for the major proportion of the value of the repaired articles. In such instances the persons repairing those commodities compete with vendors of the new commodities or of the rebuilt commodities that they already own.

In all fairness, and this is the underlying principle of this change, the tax should apply to the charges made for services. Certainly this is the case with tire retreading.

The hon. member will recall that in 1963 the act was amended to make it apply to the sale of stock tires owned by the retreader. It could not be applied, however, to the repair of old tires. The result was a rather untidy administrative position. Indeed, you can imagine the kind of tax avoidance that went on. Instead of buying a stock retread, a person would go to an establishment with an old casing and say: "If you build this up for me I will not have to pay tax." We decided this year to try to apply the tax fairly by applying it not only to the retreaded tires owned by the remanufacturer but also to the value added to tires brought in by a customer to have retreaded.

This is the basic philosophy underlying this change. I am free to admit to the hon. gentleman that it has caused a good deal of complaint. We have looked very carefully at these complaints because in a sense we have a choice of evils. Either we continue with the present inequitable and unsatisfactory situation or we change the law as we are now proposing, knowing full well that the administrative result is not going to be too satisfactory. We have come to a conclusion and that is why we are pressing this amendment on the ground that it is better to attempt to apply the law equitably by this amendment rather than continuing to suffer under the inequalities of the present law.

Mr. Lambert: My, my.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1—

Mr. Hales: I wish to address a question to the minister simply to clarify something in my own mind. The 15 per cent excise tax, as I understand it, is levied on the final selling price of Canadian products. That price includes the cost of selling, advertising, credit, distribution, etc. On the same products imported into Canada I understand that the excise tax is calculated only on the value at port of entry. Is this the case or is this clause designed to correct that situation?

Mr. Sharp: Mr. Chairman, this clause does not apply to the general sales tax but only to the special excise tax. It is intended to apply to those cases where the goods are in certain kinds of containers as set out in the proposed amendment.

Clause agreed to.

On clause 2—*Retreader of tires deemed manufacturer or producer.*

Mr. Lambert: Mr. Chairman, I must confess absolute astonishment at the reply given by the minister as to the rationale of the imposition of this tax in 1963 and its extension now. The reason given for the extension is that there were evils in the administration, in the application or incidence of the tax of 1963. I submit that the minister is jumping from the frying pan into the fire. He is now creating even greater evils both as to the administration and the incidence of the tax. The minister says that a customer having his tire custom retreaded has an unfair advantage over one buying a stock tire.

What about the used tire as against the stock retreaded tire? Should there not be a sales tax on the used tire? Also, does not that same principle apply to custom rebuilt shoes which compete with new shoes? Does this principle not apply to custom rebuilt engines as against stock engines? I point out that no tax is collected on the rebuilt engines.

• (5:10 p.m.)

Mr. Sharp: In order that there may be no misunderstanding, may I say it is my understanding that rebuilt engines are taxable as are rebuilt television sets and rebuilt refrigerators.

Mr. Lambert: I shall accept the minister's correction in that regard. But I find it extraordinary that this principle of the extension of sales tax to a service is now countenanced. I submit that we shall have a sales tax on services generally next. Using the salami method, there will be a gradual extension slice by slice. I cannot for the life of me see why this is being done.

Let us consider the difference between a tire retreader and a manufacturer. What is the difference between the new tire manufacturer and the retreader? The new tire manufacturer uses 100 per cent new raw materials and builds a new tire of which he maintains ownership until the time of sale. The retreader uses material mainly supplied by the tire manufacturer and the proportion of the content of new material to the old material is about 15 per cent. If the retreader is retreading a custom tire he has no ownership whatsoever in the tire. In the case of the stock tire he does.

Let us consider the difference in the incidence, say, of tax on a new tire as opposed to a retread. The new tire manufacturer pays a tax of 11 per cent on approximately 60 per cent of the selling price of a new tire. Let us take as an example a popular, good quality tire which retails at about $30. The cost to the manufacturer is between $10 and $12. He puts it out to the wholesaler or distribution agency where it is sold to a dealer, garage or service station at between $16 and $18. The customer pays $30. But sales tax is paid at the manufacturer's level.

In the case of a stock retread there may be an allowance of $5 or $6 on a good quality used casing. The value of the retreading, labour and materials is between $9.75 and $10.50. The retreaded tire is then sold for

about $16, and that is where the 11 per cent sales tax is levied. The sales tax on a retread is on a higher level than it is in the case of a new tire.

The minister talks about improper incidence of taxation. Of course it is. But it is on the retreaded tire, not on the new tire. The retreaded tire bears a far greater sales tax load.

Are there any ways of avoiding or reducing the tax? Yes, there are certain ways. Some tire manufacturers own retreading plants. A manufacturer will sell to his own company at a wholesale price, and this is where the sales tax is levied. The service store is not then obliged to collect sales tax from the consumer at the retail level. The new tire manufacturer with his own retreading subsidiary has a definite advantage over an independent, and there are some 600 Canadian-owned independents in this country today. There are approximately seven tire manufacturers in this country, all foreign-owned. The application of this tax therefore places an unfair burden on Canadian-owned industry.

I will admit that the tire manufacturers employ a large number of people. But so do the tire retreaders. If hon. members wish to know the incidence of this taxation in connection with truck tires, I have some figures before me.

We must remember also the difference between the big trucking operator who is entitled to discounts and the small operator who is not. The sales tax on retreaded tires falls much more heavily on the smaller operator than it does on the big operator who is in a position to get substantial fleet discounts. Thus again we see the unfair incidence of this tax.

I am sure the officials in charge of sales tax administration in the department are aware of many ways in which this tax becomes an administrative monstrosity. There is no way of checking the number of retreaded tires which may be diverted to used tire stocks unless the department has inspectors out every morning to check on tire production and sales.

Other methods could be raised. I must say frankly that this will likely lead to the ruination of an industry. Let us face it: The tire retreading industry exists because of the sheer economics of the difference between the price of a new and a retreaded tire. The minister knows the cost of a huge tire such as is used for a carrier or heavy-load earth mover. Such tires cost thousands of dollars. They go back to the shops for custom rebuilding. Why impose this tax on the custom work particularly. I assure the minister it will cause many administrative headaches.

[Mr. Lambert.]

• (5:20 p.m.)

Two of the principles of taxation are ease of administration and equitable incidence, and I have pointed out how the proposed tax is both inequitable and difficult to administer. The minister is taking a regrettable step in extending this tax and I would urge him to withdraw it because it is going to cause a great deal of hardship across the country.

The minister may feel that he will collect more tax this way but I think he will collect less because a number of the tire retreaders who have spoken and written to me have indicated that since 1963 the sale of stock tires has decreased anywhere from 20 to 40 per cent. If that is the case, we are now going to reduce the sale of custom retread tires and encourage the purchase of new, cheap tires in the $9 to $12 range, on which the minister receives an 11 per cent tax on anywhere from 40 to 60 per cent of the value of those tires.

I think that the net revenue is going to decrease. Not only that, the minister will lose income tax revenue payable by these firms if employees are sacked or let go as a result of the step which he is taking. The whole thing is completely wrong and I urge the minister to withdraw this tax. I am sure the amount of revenue that will accrue to the crown from it will not be great. Yet its effect on a segment of industry will be especially harsh.

Mr. Sharp: Mr. Chairman, I have listened with great interest to the representations made on this proposal by the hon. member for Edmonton West. I myself have received representations very similar to those he has received and from which I presume he was in part quoting. Admittedly there are problems raised by this proposed amendment but after examining the situation as carefully as I could and, I might add, sympathetically, I have come to the conclusion that there will be fewer problems as a result of this amendment than there are now because of the present inequity between the treatment of custom retreads and stock retreads.

As I said earlier, the present law provides that stock retreads are taxed but custom retreads are not. This has produced a situation where as many tires as possible are brought in by motorists to be retreaded and are not subject to tax, to the detriment of

those companies which buy their own casings, retread them and sell them. That is the reason why we are proposing this amendment.

I admit the problem is a difficult one but I believe it should be possible through administrative means to deal fairly as between new tires and retread tires. I believe it should be possible through administrative practices to help in ensuring that these tires are taxed at approximately the same level of trade. I agree with the hon. member that it would not be equitable to have retread tires taxed at a level closer to the consumer than new tires would be taxed, and it may be possible through administrative means, as we do in many other industries, to maintain as much equity as possible.

Mr. Lambert: The minister's suggestion is intriguing. Does he mean that the tax on the new tire is going to be levied and collected at a level much closer to the consumer? The worst feature is that part of the retread tire is paying sales tax twice and it is paying a great deal more tax than a similar tire of the same quality if it were a new tire. To me this does not make sense and is quite unjust.

Mr. Sharp: I was not suggesting that we are going to tax new tires any more heavily. I was suggesting that through administrative practice we might try to tax retread tires at a comparable level, in other words, by administrative practice try to establish discounts that would carry the effective level of tax back to what it would be if custom and stock retreads were sold at a different level of trade, at a lower level of trade, as are new tires when they are sold by the manufacturer.

Mr. Lambert: Then I take it the minister would be looking toward administratively bringing the stock retread into the same position as the custom retread; in other words, the sale price would be deemed to be equal to the retreading charge or cost. In the case of the stock retread there would be a figure placed on the value of the retreading, as is done now in the case of custom tires.

Mr. Sharp: Broadly speaking I can confirm that this is the intention but I will not be pinned down to fixing administrative rulings in this chamber. Generally this is the intention we have in mind.

Mr. Barnett: I have listened with interest to the discussion between the hon. member for Edmonton West and the minister and the minister has admitted that he is somewhat on the horns of a dilemma. I am concerned that this is one of these nuisance situations. Could the minister give the committee an estimate of the number of concerns which are not manufacturers at present so far as the excise tax is concerned but who will in effect become manufacturers as a result of this amending proposal?

I ask this question because it is my impression that there is a large number of quite small concerns, in some cases garages, which operate subsidiary tire retreading businesses and, I presume, are not now treated as manufacturers. Can the minister give an estimate of the number of people who will now qualify as manufacturers, many of them in small communities distant from the administrative centres of the Department of National Revenue?

Mr. Sharp: My understanding of the situation is that to a large extent those retreaders who have the necessary equipment will either do custom work or sell their own retread tires. The result of the 1963 amendment was that they shifted over from doing stock retreads to doing custom work because it was not subject to tax. One of the effects of this amendment will be to restore the stock retread business to some extent at least, it having fallen off very drastically as a result of the temptation to ask the customer to bring in his own casing and have it retreaded.

• (5:30 p.m.)

Mr. Barnett: Mr. Chairman, there is another question in my mind. As I listened to much of the exchange between the minister and the member for Edmonton West, it seemed that it centred around the question of automobile tires. One of the questions in my mind is, what is the impact of this proposal going to be on what one might call the industrial application of free trade? Take, for example, the situation which easily could arise in my own constituency. If I am correctly informed, in some instances logging concerns operate quite large fleets of vehicles such as logging trucks and other equipment in the woods. They may have an arrangement with a private concern under some sort of contract of sales arrangement to do this work on their behalf. In this case what would be the impact of this proposal? Are the large logging companies going to have to go into the field of doing their own retreading within their operations and if they do so will they be considered as manufacturers of tires? If they do not do so , will the retreader who has

been doing their work have to charge them a sales tax and thus, with the resultant increase in the cost push the company out of business?

I can think of one or two concerns in my own area which do quite a large volume of business in retreading tires for this type of industrial vehicle, and probably as an ancillary service they do a certain amount of retail retreading work for individual customers. Could the minister clarify the picture for us? I suppose the same question might arise in other fields of industrial activity or in the case of agricultural producers who operate a good deal of rubber-tired equipment.

Mr. Sharp: I am sure the hon. member will be pleased to recall that the sales tax is in the process of being removed from logging tires and therefore he will not have any problem to worry about. It will be a much reduced problem in April next year and no problem a year hence. The sales tax does not apply to agricultural implements and so on, so these are not problems of any great importance in the future. The hon. member asked a specific question in respect of whether it might not pay the logging companies to begin retreading their own tires. This would not save them from the tax.

Mr. Barnett: I did not quite catch the last part of the minister's remarks.

Mr. Sharp: I was saying that would not save them from the tax. The tax would continue to be applied even to those who retread their own tires if they are engaged in manufacturing.

Mr. Lambert: I know of some tire retreaders who do extensive work for many mining and oil companies in the Northwest Territories, the Yukon Territory, northern British Columbia and northern Alberta. The type of work is hard on tires and the equipment is big. The minister indicates that beginning next year they will have to pay sales tax only on a reduced basis. They will not have to pay it on the new equipment but when they get it retreaded they will have to pay it on the retreaded equipment.

Unless there is a particular exemption from this section, this section indicates clearly that old tires which are to be retreaded shall bear the tax. There is no saving exemption unless there is an amendment. I am not incorporating all the references from subsequent sections, but I would like to be assured on this point because otherwise we will have to go through this same exercise next year. From the minister's remarks it seems that the necessary drafting provision has been made. I am also looking at the differential between crown owned companies which do not pay the federal sales tax, such as air lines, and those which do have to pay the sales tax on the retreading of aircraft tires. Where there is discrimination between one corporate industrial or other activity as between a crown corporation and a private business concern, then again I say that to me it seems odd we should now have this extension into the service field, particularly in view of the fact that the minister now suggests they may reduce the incidence in the case of stock retreading and lower it to the level of the sales tax imposed for a service. This is the first time I have known that this is not a manufacturers' sales tax but is now a manufacturers' and service sales tax.

Mr. Sharp: Mr. Chairman, may I assure the hon. member that even federal departments pay sales tax. The sales tax is paid by crown companies whether they are federal or provincial. It applies generally and there is no discrimination in that regard. I can also assure the hon. member that the reduction in sales tax is coming into effect in April and I hope will be eliminated the following April. It applies to this type of tire, a rebuilt tire, if used by one of the industries described in schedule V of the present bill. If the hon. member will look at that schedule he will see a reference, for example, under paragraph (e) to gasoline powered and diesel powered self-propelled trucks mounted on rubber-tired wheels for off-highway use exclusively at mines and quarries and, under paragraph (1) to parts for goods described in paragraphs (a) to (k). That would include the tires.

Mr. Barnett: Mr. Chairman, I was glad to have the minister clarify the one point but I am still a little puzzled just how someone doing retreading internally will be liable for tax under this clause as it is worded. It says that the tax will be payable on a sale price equal to the retreading charge. If somebody is doing the work for themselves, just how does one establish what the retreading charge is? In other words, they are not making a charge. So far as I know the department has not the facilities or the legislative authority to go that far with regard to the internal operations of a company. I may be wrong but I should like this matter clarified.

• (5:40 p.m.)

Mr. Sharp: Mr. Chairman, I would refer the hon. gentleman to the Excise Tax Act, section 31(1)(d), which states:

1. Whenever goods are manufactured or produced in Canada under such circumstances or conditions as render it difficult to determine the value thereof for the consumption or sales tax because . . .

(d) such goods are for use by the manufacturer or producer and not for sale; the minister may determine the value for the tax under this act—

Mr. Barnett: There are a number of sections and some of us do not have the technical assistance the minister has in following all the cross-references within the act.

Mr. Sharp: I would not have known this if I had not had some very competent officials in front of me.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Articles progressively exempted.*

Mr. Hales: Mr. Chairman, in clause 4 there is a reference to the removal of sales tax on goods described in the proposed schedule V. I must compliment the minister regarding the words to be added to section 20 to the effect that oleomargarine for consumption in the province of Newfoundland is to be exempted. The public accounts committee has made a recommendation to the house in this regard in its last three or four reports. In the fourth report in 1964 the public accounts committee made this observation:

The committee was concerned to learn that the undertaking given in 1949 that the government would submit to parliament legislation designed to exempt oleomargarine sold in Newfoundland from the federal sales tax in the same manner as basic foodstuffs in other parts of Canada had not been carried out. Instead, the authority provided to the executive by section 22 of the Financial Administration Act had been used to render a tax, applicable elsewhere in Canada, completely inoperative in one province.

The committee stated that it does not consider that section 22 of the Financial Administration Act should be used in this way.

I have read from page 158 of the Auditor General's report for the fiscal year ended March 31, 1964. I am glad to see that this has been taken care of under the Excise Tax Act. I think parliament has been remiss in allowing this situation to exist since 1949 without having amended this act. However, I object to this procedure. I am one of those who feel that exempting one province in respect of a particular foodstuff that is taxable in another province is not the way to build unity. This is not fair to other provinces.

Not long ago parliament voted $8 million to the province of Newfoundland, and we are doing our part in this way to help that province. Why we should exempt this particular product in one province and not in the others I cannot understand. This seems to be discriminatory.

Clause agreed to.

Clauses 5 to 7 inclusive agreed to.

On clause 8—*Schedule III.*

Mr. Lambert: Mr. Chairman, I have run into some difficulties with regard to certain aspects of schedule III. I am particularly concerned about technical papers which are printed and produced for technical associations. If they are not stapled in a certain way they are subject to sales tax; yet if they are bound in a certain way they are not subject to that tax. In my opinion there is an artificial distinction in this regard and I should like to have some clarification.

Why should there be a distinction between technical papers which are produced by a printing firm for a conference because they are stapled in the corner or stapled and bound down one side? When they are bound down the side they are deemed to be books and therefore not subject to sales tax; yet if they are stapled in the corner they are deemed not to be books and subject to sales tax. To me that is ludicrous. What is being exempted is a technical paper. This is much like saying that if a paper was bound with blue thread it would be subject to tax but if it was bound with red thread it would not be subject to tax. There seems to be a little hometown favouritism here. Perhaps the minister could give us some explanation about this particular matter.

I should like to draw attention to part V and the point that was raised by the hon. member for Wellington South regarding oleomargarine. Let me repeat the remarks I made the other night in respect of natural gas. Natural gas in all its uses should be exempted from sales tax. I think there has been an inequitable and narrow distinction in respect of natural gas not used in internal combustion engines. Turbines have been deemed not to be internal combustion engines. There was inequity in this regard.

Mr. Sharp: Mr. Chairman, I have listened with great interest to the comments of the

hon. member for Edmonton West. We have not made any changes in this schedule other than to rearrange it in alphabetical order. In so far as the matter about which he has spoken is concerned, I really am unable to give a very satisfactory answer to his question because I am not sure why there is a distinction. Now that it has been drawn to my attention I shall make an inquiry. This has been part of the law for some time and it may require amendment, but I regret that I am unable to satisfy the hon. gentleman's curiosity at this time.

• (5:50 p.m.)

Mr. Barnett: Mr. Chairman, I have a question which arises out of the schedule in clause 8. There is a reference under part XIII which explains the item to be deleted from part XIII, that is to say, diesel fuel oil when used in internal combustion engines at mines to generate electricity for use in mining operations and other purposes connected therewith. It goes on to say:

> This exemption is now dealt with by the new sales tax exemption.

I take it that is the one in part VI where it says in paragraph 4:

> Fuel oil for use in the generation of electricity except where the electricity so generated is used primarily in the operation of a vehicle.

As I read the new item in part VI, there is no restriction to a mining operation as there was in that part, of part XIII which is being deleted. I am interested in knowing why this is so. But what I feel requires some clarification so far as I am concerned is the question of fuel oil for use in the generation of electricity except where the electricity so generated is used primarily in the operation of a vehicle. What is puzzling me is, does this mean, for example, that in the case of the bus service in a city where the power for the buses is generated by the use of diesel oil and then transmitted to an electrically operated motor that portion so used is not exempt from sales tax whereas the rest of it is? Does it also mean in connection with mining that on the portion of the electricity generated by a diesel power plant which is used to operate the underground railway equipment in the mine the operator will now have to pay sales tax?

Could the minister give us some clarification of just what is involved in this particular change? It seems to me a rather strange distinction that fuel oil is exempt so far as the generation of electricity is concerned.

[Mr. Sharp.]

Mr. Sharp: The essential point is that what we are exempting is diesel fuel used in the generation of electricity for commercial and industrial uses and so on. It was not our intention to eliminate it in connection with diesel fuel used for transportation. Take, for example, a diesel train. It operates on the principle of generating electricity which drives the engine. It is not our intention to exempt diesel fuel for that purpose. The same comment applies to diesel fuel used for buses that might operate on the same principle. The purpose of this exemption is to apply only to the generation of electricity for industrial, commercial and domestic use.

Mr. Barnett: In other words, what is covered here is the directly linked diesel-electric operation in a vehicle. Just to satisfy my curiosity further I might inquire whether for this purpose the term "vehicle" includes a ship or a boat.

Mr. Sharp: Yes, it includes a ship and an aircraft.

Clause agreed to.

On clause 9—*Schedule V.*

Mr. Lambert: Mr. Chairman, I have one question on clause 9, paragraph (i). It is a question that I raised the other night when we were discussing the resolution, namely, whether pipes, tubing, couplings, casings, fittings, thread protectors and nipples therefor used in the production of oil are covered with regard to the development of the tar sands in the province of Alberta. Will the use of these items in the production of oil under these circumstances be subject to sales tax as against their use in the conventional method of drilling oil wells?

Mr. Sharp: I am advised that pipes, valves and fittings used in the production of oil, whether from the tar sands or by the conventional method, would be covered by the lower rate next year and exempted from tax the following year.

Mr. Lambert: I want to get that clear, Mr. Chairman. There is a definite exemption at this time with regard to oil wells and natural gas wells. These tar sands are not wells. If there is no other provision whereby sales tax is not leviable on a similar type of equipment used in the production of oil from the bituminous sands, then no development such as the great Canadian oil sands near McMurray could claim to be producing oil from an oil well.

The Deputy Chairman: Shall clause 9 carry?

Mr. Barnett: Mr. Chairman, on clause 9 I have a question arising out of paragraphs (b) and (d) of schedule V. If I understand correctly, the effect of this schedule is to set out the items on which there is to be a graduated reduction in the imposition of the sales tax. As I understand paragraphs (b) and (d) the equipment referred to has to do with exhausting dust and noxious fumes in the one case, and equipment having to do with the carrying of refuse or waste from machinery and apparatus in the other. This would apply to the kind of equipment that is used, for example, in the pulp and paper industry.

This equipment has the effect of reducing the incidence and level of pollution of the air in the one case and of water in the other. I must say that as far as this provision goes, if my understanding is correct, it is in effect an encouragement up to a point to provide this kind of equipment in plants that create pollution in the air and water. If this sort of provision is being made for equipment in both these fields of anti-pollution, am I correct that so far as any rebate of the corporation tax is concerned the concession only applies to equipment in the field of water pollution? I know this was the case last year and it is related, of course, to the income tax bill. I should like to ask why this double provision is provided here when in the other act the encouragement or exemption is applicable to only one field, that of water pollution, rather than both.

• (6:00 p.m.)

Mr. Sharp: I think that this question could be answered a little more satisfactorily when the income tax bill is before us. I take it that the hon. gentleman is not objecting to the reduction of the tax on the equipment mentioned under (b) and (d).

Mr. Barnett: No, the reverse.

Mr. Sharp: Paragraph (d) does not specifically refer to water pollution. Paragraph (b) does refer to exhausting dust and noxious fumes produced in manufacturing operations. Paragraph (d) refers to carrying refuse or waste from machinery and apparatus, which is rather different. It would be necessary, in dealing with the question of pollution, for the department to look at the kind of equipment that was being used for this purpose. I do not believe it is necessarily machinery used in the production of goods. However, if it does carry away refuse or waste as well as doing something else, then presumably it is under paragraph (d). However, one would have to look at the equipment itself.

Mr. Barnett: Perhaps I could cite a particular example which happens to be the one with which I am concerned at the moment. I am thinking about the construction of some new pulp and paper mills in British Columbia. Fairly extensive installations are being made for carrying waste liquids from the plants to guard against pollution of streams or, in some cases, of the sea water. This is being done to avoid affecting our salmon fishery adversely.

I know that one firm in my constituency has a plant under construction at the present time and is making an investment which I am told will probably run into millions of dollars for this particular purpose. It consists of an extension of equipment under the water with disposal pipes and that sort of thing designed to carry away the waste. Perhaps the minister could be explicit whether this type of equipment would be covered.

Mr. Sharp: I am advised that in making a ruling it would be the system connected with the carrying of refuse or waste that would be considered. If the system involved the carrying away of refuse or waste, and this seems to fit the description given by my hon. friend, then paragraph (d) would apply.

Clause agreed to.

On clause 10—*Application and coming into force.*

Mr. Sharp: I should like to propose an amendment to clause 10 relating to line 47 near the bottom of pages 15. I should like the Associate Minister of National Defence to move the following amendment:

That Bill C-198, an act to amend the Excise Tax Act be amended as follows:

(a) by striking out line 47 on page 15 thereof and substituting therefor the following: "on September 1, 1966".

By way of explanation to the house I would say that the proposed change in the effective date relates to the imposition of sales tax on processed furs at the dressing or dyeing stage. This change is a consequential modification in the present system of taxing furs and has necessitated the preparation of extensive regulations which, because of alterations in the original budget proposals, could

not until now be released to the industry. To allow the industry sufficient time to get acquainted with these regulations and permit the Minister of National Revenue to determine the holdings of the industry and the market value of raw furs for tax purposes, it is desirable that the proposed change be postponed from July 1, 1966 to September 1, 1966.

Mr. Lambert: I think the minister will agree that these furs do become dear in more ways than one.

Mr. Cadieux (Terrebonne): I so move.

The Deputy Chairman: Shall the amendment carry?

Amendment agreed to.

The Deputy Chairman: Shall clause 10 as amended carry?

Clause as amended agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Lambert: By leave, now.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Prince (Mr. MacDonald), External Affairs—request for federal union of north Atlantic countries; the hon. member for Waterloo South (Mr. Saltsman), Combines—gasoline—request for investigation into pricing, marketing, etc.; the hon. member for Winnipeg North Centre (Mr. Knowles), Old Age Security—inquiry as to further legislation this session.

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

[Mr. Sharp.]

Mr. McIlraith: I believe, Mr. Speaker, it would better meet the wishes of hon. members if instead of proceeding with notices of motions (papers), we were to proceed with private bills for the purpose of dealing with items 2 and 3 on the order paper, being two bank bills, and items 13 and 14 which are two C.P.R. branch line bills. At the conclusion of dealing with those four bills we will revert to government business. Possibly this arrangement would meet the wishes of hon. members.

Mr. Starr: Agreed.

Mr. Deputy Speaker: Is it agreed that the first business for private members' hour, namely, notices of motions for papers be deferred at this time?

Some hon. Members: Agreed.

Mr. Deputy Speaker: We will now proceed with the private bills listed by the house leader.

PRIVATE BILLS

BANK OF BRITISH COLUMBIA

Mr. Bert Leboe (Cariboo) moved the second reading of Bill No. S-16, to incorporate Bank of British Columbia.

• (6:10 p.m.)

He said: Mr. Speaker, I will take only a few minutes. I want to thank the house and also the hon. member for Skeena (Mr. Howard) who has relinquished his place in private members' hour to let this bill come forward.

This bill is almost identical to the Bank of Western Canada bill which has already been to the standing committee and has been returned to committee of the whole. There are only one or two variations in this bill and they have to do with the capital stock of the bank, the fact that the head office of the bank will be in the city of Vancouver in British Columbia, that the majority of the shareholders will be residents of British Columbia, and also that the executive officers will be residents of, or have their ordinary residences in, the province of British Columbia.

As this bill is ostensibly the same as the Bank of Western Canada bill I feel we should proceed at once with the passage of second reading. I am sure hon. members are well aware that representations were made to the banking and commerce committee of the other place before the bill came to this house,

and the minutes of those proceedings are available to hon. members.

In closing, Mr. Speaker, I should like to suggest to the house that I would very much appreciate it if the bill, by unanimous consent, could pass all stages today because if it were referred to the committee on finance, trade and economic affairs there would only be a repetition of the proceedings in connection with the Bank of Western Canada bill. I might add that I am a member of that committee.

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Mr. Speaker, I should like to say a word or two on the bill to incorporate the Bank of British Columbia. A number of members from western Canada have expressed the opinion that we need more banking facilities in western Canada and banking executives who are more aware of the opportunities for investment in British Columbia and indeed in the other western provinces. I think that the Bank of British Columbia can help to perform this function. I think that the new Bank of British Columbia, like the Bank of Western Canada, will provide a more intimate knowledge of the resources of western Canada, of the market opportunities there as well as the export opportunities, as viewed from the vantage point of British Columbia, Alberta, Saskatchewan, Manitoba and, indeed, the Yukon and Northwest Territories.

There have been modifications over the last two years in the terms of the incorporation of the Bank of British Columbia which I think have been all to the good. The original plan was for the province of British Columbia to participate in the equity financing of the Bank of British Columbia. Initially, I believe the proposal was that the Crown, in right of the province of British Columbia, would put up 25 per cent of the equity capital and have voting privileges in porportion to that equity. This figure was later modified by the premier of British Columbia to 10 per cent.

Later the Minister of Finance (Mr. Sharp) gave indications as to the nature of the amendments to the Bank Act as the act applies to the incorporation of chartered banks and their operations in this country, and one of the stipulations which the former minister of finance made over a year ago was that no government, be it foreign or provincial, should own equity shares in a chartered bank in Canada.

I understand that the amendments more recently made in the request for a charter for the Bank of British Columbia have taken this intention of the government of Canada, as expressed by the former minister of finance, into account and that the province of British Columbia does not now intend to own any equity shares in the Bank of British Columbia. In other words, there will be no ownership provisions and there will be no voting stock held by the province of British Columbia in the Bank of British Columbia.

I think this is all to the good. In this country we have a written constitution. We have powers reserved unto the provinces and the remaining powers, many of them very important and vital to the survival of this country as a nation, are reserved unto Canada as a whole.

One of the vital powers of this nation is control over money and banking, currency, the incorporation of banks and so on. I think it would be a pity if the parliament of Canada were ever in any way to delegate unto the provinces, and particularly unto one province, authority over banking or activities relating to banking in the sense of the activities of chartered banks. So that the retirement of the province of British Columbia from voting stock participation in this new chartered bank, the Bank of British Columbia, I think is a laudable move, one which all Canadians interested in the retaining of federal powers by the parliament of Canada and by Canada as a whole will appreciate.

There is another and important aspect to control of any corporation, of course, Mr. Speaker. One aspect is control over voting stock; another and equally important aspect, in the initial stages at least, is the appointment of directors. A list of directors appears in this bill to incorporate the Bank of British Columbia. Several of those directors are employees of the province of British Columbia. They are senior officers in Crown corporations established by the province of British Columbia.

In view of the expressed intention of the Minister of Finance of Canada that no other government, foreign or provincial, should have a substantial say in the policy-making of the chartered banks of this country, I personally wonder whether it is consistent with that intention to have paid officers of a provincial government on the board of directors of any chartered bank in Canada. I realize that this is an interim board, one which will be subject to the intentions of the

shareholders of the Bank of British Columbia. I presume that this particular subject will be thoroughly discussed when the Bank of British Columbia bill is referred to the committee of this house which deals with finance. Indeed, I am sure that the matter will be raised. It will be raised because one of the proposed directors is the chief fund raiser for the government party in the province of British Columbia.

To reiterate, Mr. Speaker, I welcome this incorporation. I believe we must incorporate this bank and more banks in western Canada. Certainly I welcome the incorporation of the Bank of British Columbia with headquarters in Vancouver, the directors of which are British Columbians, and with capital raised through private channels in the western part of the country. I am sure the bank will perform a vital function. Subject to the qualification which I raised in respect of the directors, I trust that this bill will pass first to the committee and then, when it comes back from committee, that the Bank of British Columbia bill will receive third reading so it can become one of the most prosperous and useful chartered banks in this country.

• (6:20 p.m.)

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I agree with the hon. member for Coast-Capilano (Mr. Davis) that the bill before us to incorporate the Bank of British Columbia will serve a useful purpose in the regional development not only of the area from which we come but also as an addition to our banking system. I must, however, express myself briefly in the strongest possible terms as differing with him on the changes which have been effected in this measure since it was first considered in its original form by parliament. Far from these changes being all to the good, in my view they are all to the bad.

I do not want to argue at any length, but I must make it clear so far as I am concerned that the hon. member's argument with respect to control of the banking system and with respect to the province's equity in ownership of the bank is completely specious. I am sorry that the hon. member for Coast-Capilano should continue falling into the error displayed by the former minister of finance in this house. I want to register this view when the bill is before us for second reading. Apart from that I would be happy to see the bill receive second reading so that it could go to committee for study.

[Mr. Davis.]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, so far as I am concerned I feel that the details of this bill should not be examined at this time. The question is simple. I think all these incorporations should be given approval in principle unless there is something patently wrong and should be sent to the appropriate committees. In this case the bill should be sent to the committee on finance, trade and economic affairs. Such bills can be examined in the committee. All members of the house who are so minded and prepared to attend, as they ought to be, the meetings of the committee, then have the opportunity to question witnesses at their leisure and to their greater benefit rather than posing hypothetical questions in the house which many times are meaningless. I am therefore in favour of giving this bill second reading at this time to get it off to the committee as soon as possible.

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, as a member from British Columbia I feel compelled to make a few remarks on this bill which has come forward more quickly than anticipated.

I have long been an advocate that we in western Canada and on the Pacific coast need financial and lending institutions which are particularly and peculiarly oriented to the problems that arise in western Canada and on the Pacific coast. In the last parliament, as in this, I have been a supporter of the bill to incorporate the Bank of Western Canada. I believe we need more banks in our country. We need more competition within our banking system. I welcome the opportunity of speaking in support of the principle of a bill which will establish a bank in British Columbia.

I hope that this bill will be sent to the committee today. None the less I want to put on record a reservation and instruction to the members of the committee, of whom I am also one. I wish to point out some questions that I want to have asked in that committee.

I expressed during the last election campaign, when this matter was raised in my riding, the deepest possible reservations about some of the proposed directors of this bank. I particularly refer to Mr. Einar Gunderson who I suspect will be the president and chairman of the board of the new bank. Mr. Gunderson has had a checkered and colourful political career in British Columbia. At the present time he is the chief fund raiser for the Social Credit party in British Columbia.

He is general manager of the provincially owned Pacific Great Eastern Railway.

We saw not too long ago his peculiar relationship with the premier, and in connection with fund raising we are aware of the "Dear Hal" letter which came before the courts of British Columbia. We saw Mr. Gunderson's peculiar relationship with Mr. Harry Stonehill, the United States citizen who was kicked out of the Philippines and subsequently deported from Canada.

During the Easter recess I wrote to the parliamentary agent for this bill in Ottawa pointing out that I had a number of questions I would want to ask when the bill went to committee. I did so in order that material to answer my questions could be prepared in advance and thus the bill would not be delayed in committee because of time being required to prepare the information I wanted.

Because this bill has come before the house sooner than expected I shall not have an opportunity of putting my letter to Mr. Burke-Robertson on record. I simply asked the parliamentary agent to communicate with his principals and to prepare statements, because I want information on all business dealings during the last ten years that each of the provisional directors has had with the provincial government concerned or with any of its agencies. I want to know what appointments, jobs or remuneration, if any, these directors have received or are receiving from the province of British Columbia. I want to know because I suspect that Mr. Einar Gunderson and Mr. William Clark Mearns, who is an executive of B.C. Hydro, are simply puppets for the premier of British Columbia. In the course of the committee hearings I want to determine whether these men in fact are the premier's puppets. I look forward to putting on the record in greater detail, when this bill reaches the committee, the questions I have raised now.

While I support the concept of a bank for British Columbia to serve industry and the country, we all have an obligation to the people of British Columbia who will be investing in this bank and putting their savings into it. We have an obligation to ensure that their investments and savings will be safe. The idea and the concept of a bank for British Columbia is overwhelmingly popular and has support in my province. The many small people putting their money into this bank must be protected and we have an obligation to ensure that this money is properly managed. I am cautioning the committee at this time to examine this measure and the people behind it to make sure that the savings and property of the people of British Columbia will be adequately protected by the bank's directors.

Mr. J. H. Horner (Acadia): Mr. Speaker, before this bill is sent to the committee I should like to say a few words with regard to our banking system in relation to the bill.

Coming from a province in western Canada closely associated with British Columbia, I can say at the outset that I am in favour of a chartered bank with headquarters in British Columbia. However, like the hon. member for Vancouver-Burrard I must speak about the directors of this bank. I would rather see the provincial government have a 10 per cent share in the bank, if this is necessary, than have it acquire control of the bank in a roundabout way. In other words, if the province is going to have an interest in the bank it should be so stated.

I spoke on a similar bill that came before the house in which it was provided that the province of British Columbia would have only a 10 per cent share interest in the proposed Bank of British Columbia.

• (6:30 p.m.)

I said then that a bank charter is a very great privilege to be granted to any group of individuals and that a group granted such a charter should be prepared to work for the general advantage of Canada. A provincial premier certainly has responsibility for developing his province and providing for its people, and if he feels that an interest in a bank would help him to achieve those ends I cannot see why we should oppose an application along these lines.

However, as suggested by the previous speaker there is a close connection between the government and the directors set out in this bill. This makes one suspicious and I certainly hope that when the bill is sent to committee the members of that committee will carry out a thorough examination in this connection. Most hon. members do not like to see deals made under the table which might lead one to suspect there is or could be too close a connection. Before this parliament awards a charter to any group of individuals, careful consideration must be paid to their character, general worthiness and capacity to operate a bank.

It is interesting to note that last year there were three applications for charters on the order paper. One applicant is apparently

waiting until the revisions have been made to the Bank Act. This may be the proper attitude to take. Why apply for a charter before the act has been amended? Would it not be better to wait until we see the proposals for the revision of the Bank Act so that we will know exactly what we are granting?

A bank charter in this country is a privilege, and to appreciate this one must look at the banking situation over the years. Very few charters have been granted, none, in fact, since the thirties or a little earlier. But during the same period the house has dealt with many applications by finance companies, trust companies and people who in the minds of many might be classed as loan sharks. I do not think this is good for Canada. These loan companies do not need a charter from this house. Their accounts need not be subjected to federal scrutiny. Some hon. members might feel we should grant every application for a charter that is made. If we did we might find ourselves in the same position as many of the provinces with too many finance companies on shaky ground.

It is therefore our duty to give close scrutiny to every application for a charter. There should also be a careful examination of the worthiness and capacity of the directors, particularly as to their intent to work for the general advantage of Canada. A charter is a licence to operate in Canada as a private industry but with special privileges. We need only remember that banks today have a right to create money. That is what our banks do. For every dollar they have on deposit they can lend $20 or $30. This is a great privilege for a private business and we should make certain that the general intent is to work and serve for the advantage not necessarily of the board of directors or of the shareholders but of Canada as a whole. I hope all hon. members, particularly those who sit on the finance committee, will bear this in mind when they come to examine Bill No. S-16.

The Bank of British Columbia should certainly operate for the advantage of British Columbia. But it ought also to operate for the general advantage of Canada. I am somewhat concerned about this aspect. If the province were openly to own 10 per cent of the bank, I would know it might have 10 per cent of the influence. As it is, one does not know whether the province would have 50 per cent or 51 per cent of the influence, whether it would operate solely for the advantage of the province, with its tremendous real and potential wealth in oil, timber and mineral resources, or whether it would work for the general good of the people of Canada.

[Mr. Horner (Acadia).]

I will say nothing further. I conclude by expressing the hope that the committee will examine this bill thoroughly and assess the directors carefully on the basis of the points I have stressed—worthiness, general intent and capability.

• (6:40 p.m.)

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am pleased to say that our group accepts this bill in principle; we are happy about its introduction and the fact that it is submitted by a province such as British Columbia.

Once this bill has been referred to the committee and passed by the house, it will be the first time in the history of parliament that a province has the right to operate a bank. That bank will belong to the province of British Columbia, if I understood the bill well.

Mr. Speaker, the provisions of the bill are not what we would like to see; we would like a much more flexible bill, granting much more common and stable rights, in short, rights which would give the province more powers than those which the bank exercises at the present time. But I know that British Columbia must comply with the government's requirements and accept the same conditions as the other banks.

The Bank Act will be the same for British Columbia as for any bank in Canada. But it is a step forward in the economy of the monetary and banking systems. If there is in that province capital to put at the disposal of the citizens, we must not be against the fact that such capital operates through a bank and that Canadians can benefit more therefrom.

The chartered banks are the creatures of the Canadian parliament. They literally owe their existence to it. They have to come to that same parliament every ten years to renew their charters without which they would stop existing. They get all their rights and privileges from parliament, even the exclusive right to create and issue money. That is so true that if the government, as the sovereign body representing the whole nation, needs money in addition to what it gets from taxes or loans on the savings of the people, it must bow before those creatures.

Mr. Speaker, when that happens, it becomes obvious that the chartered banks are not constituted as they should be, because if the government is able to give them all that authority, it should at least hold the supreme authority and not be forced to go down on its knees before those institutions when it needs credit to finance the country. That is what we are against. We object to the fact that the government is forced to go down on its knees before the chartered banks and ask them to lend it money or credit to administer the business of the country when it has given them the exclusive right to create money and credit.

If the government can give these institutions exclusive rights, it can surely hold on to sovereign rights it has on institutions of its own creation and on the creation of money and credit in Canada. It is always a question of money, of shortage of money, when governments need credit. Not a single government in Canada, I would even say in the world, can create its own credit. Development of our various natural resources, construction of bridges, roads, institutions, universities, colleges, everything that is publicly-owned, should be financed and controlled by the sovereign government or a sovereign and independent commission of the government which would have control over money according to the ability of our citizens to develop our country.

There are many physical assets in this country which we could develop. The men are waiting; the institutions are waiting. Canada has a considerable number of engineers, qualified men capable of undertaking all those things Canadians absolutely need. We cannot do it because we operate within the money available, and we are too deep in debt. The federal and provincial governments are too deep in debt; the municipal governments and school boards are too deep in debt. So, the country goes undeveloped; we eschew giving work to our people and initiating what could be done in such a vast country as Canada.

There are a million things we could do: We could build more bridges and roads, as long as the need is being felt and as long as there are men and materials available. We have to deprive ourselves because we lack the necessary credit.

We support the granting of this charter to the Bank of British Columbia under government control. We want every province to progress. And we wish the same thing to the other provinces and we hope that, in the future, there will be improvements, and amendments to the Bank Act and to the constitution if necessary, so that the sovereign government may take such control and exert such sovereignty.

[*English*]

Motion agreed to, bill read the second time and referred to the standing committee on finance, trade and economic affairs.

Mr. McIlraith: Mr. Speaker, I wonder whether it would be agreeable to hon. members to call the two C.P.R. railway branch line bills together?

CANADIAN PACIFIC RAILWAY COMPANY

Mr. R. J. Orange (Northwest Territories) moved the second reading of Bill No. S-32, respecting Canadian Pacific Railway Company.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Frank Howard (Skeena): Mr. Speaker, before the motion is adopted or the sponsor speaks to the bill, could we have an understanding as to what was in the mind of the government house leader when he proposed that we take Bills S-32 and S-4 together? Upon their completion would it be his thought that we would revert to government orders?

Mr. McIlraith: Yes, we would revert to public business at the conclusion of these two railway bills.

Motion agreed to and bill read the second time.

Mr. R. J. Orange (Northwest Territories) moved the second reading of Bill No. S-34, respecting Canadian Pacific Railway Company.

Motion agreed to and bill read the second time.

Mr. McIlraith: Mr. Speaker, instead of referring these two bills to the standing committee on transport and communications, I wonder if it would be agreeable to the house to deal with them in committee now?

Mr. Thompson: Mr. Speaker, I would agree with that.

Mr. Howard: It is highly unusual.

Some hon. Members: Agreed.

Private Bills

Mr. Deputy Speaker: By unanimous agreement the house will now go into committee of the whole on Bill S-32.

The house in committee on Bill No. S-32, respecting Canadian Pacific Railway Company—Mr. Orange—Mr. Batten in the Chair.

On clause 1—*Line of railway authorized.*

Mr. Howard: Mr. Chairman, for the sake of posterity and in order that those who read the record may come to some conclusion as to what we are doing, I think it would be advisable if the sponsor of the bill would place on the record what is contemplated by this bill.

• (6:50 p.m.)

Mr. Orange: Mr. Chairman, as hon. members are aware, a railway company must come to parliament in order to obtain authority to construct a branch line in excess of six miles in length. The Canadian Pacific Railway Company is proposing to build a branch line a distance of approximately 11 miles in Saskatchewan in the vicinity of Fox Valley. Fox Valley is located on the C.P.R.'s Burstall subdivision about 70 miles west of Swift Current. The branch line will be built to a property owned by the Saskatchewan Minerals Corporation. The Saskatchewan Minerals Corporation owns a deposit of sodium sulphite estimated at nine million tons at Ingebright Lake. It is estimated that the plant which presently is under construction will commence operation some time this fall. It is for this reason it is urgent that the house give approval to this particular bill. In this area the government of Saskatchewan, in addition to the Saskatchewan Minerals Corporation, has extended rights to two other private companies to develop sodium sulphite deposits and subsequently to build plants in the area.

This is an important economic project both to Saskatchewan and to Canada as a whole. The construction of this line is in the best interests of the province and the country.

Mr. Howard: Mr. Chairman, before this clause carries I should like to say that in matters such as this it is usual for the government to select from among its own members someone from the particular province to move such a bill. Could we have an explanation from the government why it did not select one of its members from Saskatchewan to sponsor this bill?

[Mr. Howard.]

Mr. Basford: Mr. Chairman, the house has been very co-operative with the Canadian Pacific Railway in dealing with these two bills and I trust the members interested in this legislation will be equally co-operative when it comes to dealing with Bill C-206 to remove the Kitsilano trestle.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Orange moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

The house in committee on Bill No. S-34, respecting Canadian Pacific Railway Company—Mr. Orange—Mr. Batten in the chair.

On clause 1—*Line of railway authorized.*

Mr. Orange: Mr. Chairman, the purpose of this bill is similar to that of the previous bill. It is intended to construct a small branch line in the province of Alberta in the vicinity of Didsbury. The length of the line will be 16.5 miles and it will extend to the Canadian Superior Oil Limited plant. As in the last case it is important that this bill be considered urgent.

Mr. Thompson: Mr. Chairman, because the spur line which is proposed in this bill is within the confines of my constituency I think I should say a few words about it. This branch line of 16.5 miles in length is to run from the town of Didsbury west to the Canadian Superior Oil plant at Harmatton. This line is vital for the transportation basically of sulphur which is one of the by-products of that plant. Therefore, the proposal that the C.P.R. build this line is important in respect of the ability of that plant to transport its products.

There has been some controversy with regard to the location of this line. The suggestion was made that it run from the branch line from Carstairs out from Cremona and north to the plant rather than run west from the town of Didsbury. For the record I should say that while the plan has been opposed by

the county council of Mountain View, the town of Didsbury and the local chamber of commerce have given support to the location which has been selected for the right of way.

While this branch line is only proposed to be 16.5 miles in length, one day before too long it will be extended to the boundary of Banff national park where at Panther Mountain there is one of the largest deposits of sulphur in the world. Therefore this line is but a forerunner of an extension which will take place in the not too distant future.

In respect of Bill S-34 there is just one area where I express some concern and that is that the Canadian Pacific Railway in its public relations program could have done a much better job in dealing with the public and settling the fears with regard to the best route for the railroad. I will not go into that in detail at this time. I should like to say to the members of the committee that this is a very important branch line and we will appreciate it if the bill can be cleared through the house at this time.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

The Deputy Speaker: When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Orange moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Deputy Speaker: Order. The hour for the consideration of private members' business has expired.

Mr. McIlraith: Mr. Speaker, there is a C.N.R. resolution preceding a bill to which I referred earlier in the day. Because it is a C.N.R. bill and the provisions of funds is involved it requires a resolution stage. I wonder whether it would be agreeable to call the resolution so that the bill could be printed, distributed and dealt with later in the session.

Mr. Howard: Mr. Speaker, the hon. member for the Northwest Territories has had remarkable success with railway bills today. Perhaps we should ask him to sponsor this measure.

• (7:00 p.m.)

Mr. Deputy Speaker: Order, please. Is it agreed unanimously that the resolution in respect of C.N.R. branch lines referred to by the Minister of Public Works be considered now?

Some hon. Members: Agreed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CONSTRUCTION OF BRANCH LINES IN WEST

Hon. John N. Turner (for the Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize and to provide for the construction by Canadian National Railway Company of a line of railway in the province of Manitoba from the vicinity of Stall Lake on the Chisel Lake subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne lake in The Pas mining district of that province, and of a line of railway in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the said railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina mining district of that province, at a total expenditure of $3,400,000, not to be exceeded by more than 15 per cent, and to authorize and to provide for temporary loans to the company out of the consolidated revenue fund toward the cost of construction.

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

Mr. Turner: Mr. Chairman, this resolution combines in the standard form a request for authorization for the Canadian National Railways to build two branch lines, the first in the province of Manitoba from the vicinity of Stall lake on the Chisel lake subdivision of the Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne lake and the premises of Hudson Bay Mining and Smelting Company. The purpose is, of course, to allow the development of the established reserves of copper and zinc in the area and transport it out.

The bill will provide for the usual traffic guarantee to the railway, and the parliament of Canada is requested to authorize a temporary loan to the company out of the consolidated revenue fund—this is the usual practice—and to guarantee the funds of the railway for the line.

Canadian National Railways

The second part of the resolution deals with another branch line, this time in the province of Saskatchewan, from the vicinity of Watrous on the Watrous subdivision in a northeasterly direction for a distance of approximately 18 miles to the site of a shaft and processing plant of Alwinsal Potash of Canada Limited. This will allow the development of one of the new strikes of potash in the province of Saskatchewan. Again when the bill is circulated it will contain the usual provisions. We have already passed one of this kind this session.

When this bill comes before the house the Minister of Transport or myself will be prepared to give more detail as to the locations, the estimated capital cost and the resources being developed, as well as the time required for construction of each of these branch lines. One of us will state generally the traffic involved and the nature of the resources to be developed. I would therefore ask the committee to adopt the resolution so we can introduce the bill.

Mr. Scott (Danforth): Mr. Chairman, on behalf of this group let me say that we are prepared at this time to reserve comment until we reach the first reading of the bill.

The Chairman: Shall the resolution carry?

Mr. Peters: Just before it does carry, Mr. Chairman, I should like to ask whether the government has given consideration to these two lines, particularly the second one from Watrous to the new potash development, in relation to recent pipe line developments. In view of the fact that potash can be transported by pipe line rather than just by rail, I am wondering whether any consideration has been given to the development of a transportation policy. This new mode of transportation, that is by pipe line, is obviously geared to the province of Saskatchewan because of the development of potash and the fact that it is one commodity that can be transported by pipe line.

I am particularly interested in this subject because of the fact that in Ontario there have been developed branch line pipe line carriers, and there is contemplated a change in transportation systems in respect of certain commodities. Perhaps we should have a transportation policy which takes into consideration the new means of transportation.

Mr. Turner: Mr. Chairman, I may say that the suggestion of the hon. member is a pertinent one and that the Department of Transport is looking into the system of transportation of solids through pipe lines. In this particular case the company felt that since it was able to obtain a 15 year guarantee of traffic from the company, during which time the cost of the line would be completely amortized, there was no uneconomic factor involved.

Resolution reported and concurred in.

Mr. Turner (for the Minister of Transport) thereupon moved for leave to introduce Bill No. C-210 respecting the construction by Canadian National Railway Company of a line of railway in the province of Manitoba from the vicinity of Stall lake on the Chisel lake subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne lake in The Pas mining district of that province, and of a line of railway in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the said railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina mining district of that province.

Motion agreed to and bill read the first time.

FINANCE

PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to authorize payments to the provinces equal to 95 per cent of that part of the income tax paid under part I of the Income Tax Act by certain corporations in respect of income earned after 1965 that is attributable to the gross revenue of such corporations from the distribution and sale to the public in the province or the generation and sale in the province for distribution to the public of electrical energy or steam, or from the distribution and sale of gas to the public in the province; and to provide that an amount paid under the said measure that is paid or otherwise credited by the province to such a corporation for the use of that corporation shall be exempt from income tax.

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

Mr. Sharp: Mr. Chairman, this resolution seeks the permission of this house for the introduction of a measure to provide for the payment to the provinces of 95 per cent of the income tax paid to the federal government by certain public utility corporations on that part of their income arising from their

public utility operations. An arrangement was made in 1947—and has been renewed periodically by succeeding governments—under which 50 per cent of this federal tax has been transferred to the provinces.

• (7:10 p.m.)

In July last year the government undertook to increase the transfer from 50 per cent to 95 per cent and hon. members are being asked by this resolution to carry out this undertaking of the government of Canada.

The transfer to the provinces of a portion of the federal income tax paid by electrical, gas and steam utilities was instituted in 1947 as an integral part of the Dominion-Provincial Tax Rental Agreements Act of that year. Under that legislation Canada agreed to pay to the provinces for the five-year duration of the agreements one-half of the federal income tax paid by these utilities subject to certain minor adjustments. This sharing arrangement was continued for a further five years by the Tax Rental Agreements Act, 1952, and on the conclusion of that agreement Canada undertook at each subsequent quinquennial revision of the fiscal arrangements to continue the 50 per cent sharing by an item in the annual estimates.

In the estimates tabled in this house on February 14, 1966, there will be found under vote 5 of the Department of Finance a request for authority to share with the provinces the income tax paid by these utilities in 1964. It has, of course, been necessary over the years to adjust the regulations governing the 50 per cent sharing to take into account such changes in fiscal arrangements as the 1962 changeover from tax rental to tax collection agreements.

In addition to providing in 1947 for the payment to the provinces of one half of the income tax paid by certain privately owned public utilities, the government of Canada provided in the following year for a tax concession to these corporations. In 1948, at a time when the general tax rate was 50 per cent of taxable income, the rate on the taxable income of these public utilities was reduced to 43 per cent. While the 7 per cent rate advantage has been reduced, these corporations remain subject to a corporate income tax rate that remains 2 per cent less than the general 47 per cent corporate tax. This provision is contained in section 85 of the Income Tax Act. I draw this section to the attention of hon. members because many of the provisions of the bill which it is my intention to introduce following the acceptance of this resolution are modelled on section 85 of the Income Tax Act.

The decision to increase this transfer to the provinces from 50 per cent to almost 100 per cent of the federal tax was in response to pressing representations from several provinces. Prior to and at the federal-provincial conference of prime ministers and premiers held in July last year many provinces argued that privately owned gas and electrical utilities were still at a competitive disadvantage vis-à-vis publicly owned utilities, and that this disadavantage inhibited the private companies from developing new power sites necessary for Canada's requirements. They also expressed concern that because of this differential treatment the customers of the privately owned utility companies were similarly placed at a disadvantage. Furthermore, it was argued that this disadvantage was felt most in those provinces which depended on private companies for the generation or distribution of electrical energy and gas and that the continuation of this disadvantage would oblige the provinces to consider the nationalization of these utilities. The government of Canada was obliged to acknowledge, after careful consideration, the force of the provincial argument as to the effect upon the consumers of electrical energy and gas of the differential treatment of utilities.

In announcing the policy decision to increase the tax transfer to the provinces my predecessor, the hon. member for Davenport, indicated that while the federal transfers to the provinces would continue to be unconditional he expected that the provinces would ensure that the benefit of the increased transfer would be passed on to consumers in the form of reduced rates.

Before speaking further to the intent of this resolution I should like to explain the 95 per cent figure. Hon. members may wonder why the government did not undertake to transfer 100 per cent of the federal tax to the provinces. The reason is that the federal government needs to retain some 5 per cent of the federal tax revenue to compensate it for the dividend tax credit it continues to give to shareholders of these Canadian corporations.

The public utility corporations to which this resolution applies are those whose main business is the distribution and sale to the public of electrical energy, gas and steam or the generation and sale for distribution to the public of electrical energy and steam. It is

the federal income tax paid by these corporations that this resolution proposes to transfer to the provinces. Hon. members may find it helpful if I were to refer to the relevant provisions of the Income Tax Act.

Part I, section 85, of the Income Tax Act, to ensure that the 45 per cent rate applies only to corporations that are genuinely in the public utility field and does not extend to corporations that may, incidental to their main activity, generate or sell electrical energy, gas or steam, requires that a corporation to be eligible for the lower rate must receive more than one half of its total gross revenue from such distribution and sale or generation and sale. Similarly, part I of the Income Tax Act, to ensure that the lower rate of taxation does not apply to corporations that are merely providing electrical energy, gas or steam mainly for subsidiaries or parent companies, and are not serving the public, requires that a corporation to be eligible for the preferred tax rate must receive more than one half of its gross revenues from sales to persons with whom it deals at arm's length.

The resolution now before this house seeks to secure the consent of hon. members to the introduction of a bill which will incorporate conditions analogous to the above provisions in part I of the Income Tax Act. I should further explain that where a corporation qualifies under the Income Tax Act for the preferred rate, that rate applies only to that portion of the corporation's income that arises from its distribution and sale or generation and sale to the public. It is 95 per cent of this portion of the qualifying corporation's federal tax that this resolution seeks the permission of the committee to pay to the provinces. When the 95 per cent share of the federal tax is determined, that amount will be paid to the province or provinces in which the distribution and sale or generation and sale to the public is made.

The resolution also proposes that the 95 per cent sharing arrangements shall apply to the income tax paid by the eligible corporations on income earned after December 31, 1965. It is the government's intention to continue to apply the present 50 per cent sharing arrangements to the tax paid on income earned up to and including December 31, 1965. As I previously stated, the estimates for 1966-67 tabled in this house on February 14 contain a provision to cover taxation years ending in the 1964 calendar year, and authority will be requested in the 1967-68 estimates to continue the existing arrangements in respect of the 1965 calendar year. Hon. members will note that there is a delay of approximately two years between the taxation year in which the profits are earned and the year in which the 50 per cent share is paid to the provinces. Aside from the time lag allowed all corporations in the filing of their tax returns, further delay is occasioned by the need to identify those corporations in respect of which the 50 per cent sharing arrangement applies and then to re-process their tax returns to determine the amount of tax revenues to be shared and the province or provinces to whom payment is to be made.

Mr. Chairman, in concluding my remarks, I should point out that when the government of Canada undertook to pay to the provinces 95 per cent of the federal income tax paid by these public utilities, it attached no conditions to the payments. My predecessor, the hon. member for Davenport, did express the expectation, as did Hon. Donald Fleming when in his 1961 budget speech he announced the continuation of the half-sharing arrangements, that the provinces might wish to use the additional revenue for the benefit of the industry and its customers. I also hope that the provinces will use the federal tax transfer for the benefit of the industry and its customers.

Mr. Scott (Danforth): Mr. Chairman, does the minister have in mind including a clause in the bill which will ensure that the savings made by the companies are passed on to the consumer in the form of lower rates?

Mr. Sharp: No, Mr. Chairman; these are unconditional payments.

Mr. Lambert: Mr. Chairman, I am very pleased to see this resolution on the order paper. I can say that I thoroughly approve of it. I recall that in 1963, 1964, and I believe in 1965 I and other Alberta members in particular made representations in this regard, because of all provinces in Canada the province of Alberta will be affected, generally, more than any other. This is particularly the case with regard to electric power because apart from the municipal generation plant in the city of Edmonton, most of the electric power produced and consumed in the province of Alberta is by private companies.

• (7:20 p.m.)

We also have the distribution of natural gas in Alberta, so that province is very conscious of the sources of its power, just as any other province would be. It has always

been felt that the incidence of this income tax on Alberta Power Corporation placed the province at some disadvantage in competition with other provinces for the location of industry based on favourable power rates, because these other provinces had nationalized their hydro, in particular. As a matter of fact, I think it is common knowledge that Premier Bennett in 1961 nationalized B.C. Electric because he had not been able to get this particular increment from 50 per cent to either 95 per cent or 100 per cent, which he felt was his due. Well, the people of British Columbia now have a nationalized hydro system whether they like it or not, and they can thank Premier Bennett for that. This was one of those great whirlabouts. He was for free enterprise and private ownership, except where it suited his particular purpose.

I am glad to say that in so far as the province of Alberta is concerned, the wishes of the Minister of Finance and his predecessor in regard to this have been passed on by the provincial government. After all, the province need pass on these benefits to no particular company, and any particular company need not pass them on to its customers. The end result, however, so far as Alberta is concerned, has been that the province, after some hesitation but not long, did agree that all benefits derived by the province as a result of this agreement with the federal government, and which we are now asked to approve, would be passed on to the power companies concerned. This same, shall we say, message has been passed on to the companies. I am sure that this will result in either an actual reduction of rates or will prevent—and this is what is vitally important as well—predictable applications to the various utility commissions for increases in rates. I know one private company is on its third wage increase this year as a result of the incidence of the Canada Pension Plan and a number of other things. These costs cannot be paid out of thin air. They have to be paid ultimately out of earnings based on their utility rates, and in order to get an increase in those rates these companies have to go before their respective utility commissions. This provision will help defer some of the increasing expenses of power corporations.

We will be interested in seeing just what the provisions will be in the bill. I know that there are a number of provinces, particularly those which do have natural gas distribution companies, which will be affected by this provision. Others, I believe Nova Scotia is likely the only other one, will have privately owned power systems and they, too, should benefit. I agree with the minister that the house should accept this resolution and that we should see the bill as soon as possible.

Mr. Lewis: I rise, Mr. Chairman, to oppose this resolution and its principle as being, in my opinion, contrary to the best interests of the people of Canada in all parts of this country. I think it is a wrong principle, although it is already on the statute books, because constantly, in my experience, private corporations that function in the same field as public enterprise are always complaining about the fact that they have to pay taxes and public corporations do not. I have heard that complaint by private corporations in the field of transportation and in the field of communications where there are publicly owned enterprises.

Furthermore, Mr. Chairman, I think the time has come for us to recognize that even though it is up to the people in each province to do as they pleased, all public utilities ought to be publicly owned. Whatever the reason may have been for Premier Bennett of British Columbia to bring the corporation there under public ownership, he did a service to the people of his province, just as the Lesage government did for the people of Quebec by bringing Hydro Quebec under public control. I do not believe this parliament ought to do anything to encourage a continuation of the private exploitation of basic public utilities that are the foundation of all economic and industrial activity in every part of the country.

My third point—I am putting them briefly because I do not want to make a long speech—is that I do not accept that the hope the minister expressed will be realized. In fact, if I understood his explanation correctly, he will make these rebates to the provinces concerned unconditionally. The provinces concerned may or may not hand them on to private corporations. I have no doubt that they will, but of course they are not obliged to do so. If he makes these rebates on the basis of tax arrangements with the provinces, I am sure he will agree with me that is the worst possible way in which to deal with so important a matter as the division of tax revenues. If he is making this rebate to the provinces to help the people concerned obtain cheaper electricity or cheaper gas, there is simply no guarantee whatever that will occur. The province may hand that money over

to the corporation but there is no guarantee that the corporation will in turn hand the benefit over to the consumers of the utility. If they don't, Mr. Chairman, parliament will have been responsible for adding to the very large profits now made by corporations who are crying tears about the extra federal income taxes they have to pay.

I see no reason why this parliament and the people of Canada as a whole should give up some of the revenue collected from corporation income tax in order to favour the private corporations' profit margin. There might be some sense to it if there were some way of guaranteeing that these benefits would be handed over to the consumers by the private utility corporations. I have no guarantee whatever that that will be done, nor has the minister. He expresses the hope that will happen. He expresses the hope that provincial authorities concerned will express the hope that will happen. This is about where he is and about where hon. members of this house are with regard to the likelihood of these benefits being handed on to the consumers.

As I suggested, Mr. Chairman, over most of the world and over most of Canada, the overwhelming majority of the units concerned with the manufacture and distribution of electricity and gas are now under public ownership. I know gas is not to the same extent, but it will be in the not too distant future, and that is where it ought to be. Public utilities ought to be under the control of the people, through their legislatures and parliament.

• (7:30 p.m.)

I oppose with all the vigour I can this added piece of pie to corporations which are already exploiting the natural resources of this country to their benefit, and who can afford to reduce their rates to compete with public corporations simply by reducing the cut of profit which they now get. My memory from looking at the figures is that private utility corporations are doing very well after taxes despite the fact that they pay this income tax. I see no reason why this parliament and the people of Canada should give them an additional handout.

Mr. Lambert: May I ask the hon. member a question. Is he aware that in allowing public utilities in, say the province of Alberta, of the hydro or gas type, to set their rates the public utilities commission must take into account such type of income as they would be getting and therefore the result is that there is no increase in rates?

Mr. Lewis: I am well aware of the workings of public utilities commissions—not as well aware as I should like to be, and I am sure my hon. friend is not as knowledgeable in the field as he would like to be. However, I also know that in all these regulatory situations the accounting, the auditing of balance sheets and the method of calculating the cost become a matter of great and long debate and argument. This has been the case before the board of transport commissioners with regard to the permissible rate of earnings over the years for the C.P.R. It has also been the case with public utilities commissions, about which I have read and know a little about the facts. I am not at all certain that the expressed desire of the Minister of Finance will be realized by the people with whom we should be concerned here.

Mr. Leboe: Mr. Chairman, only a brief word in connection with this resolution. First of all, I want to say that I am not in agreement with the last speaker. I am not going to cry wolf before the wolf is actually with us. I believe that this resolution comes a number of years late. At the same time I agree that it is better now than never.

In the province of British Columbia, B.C. Electric, as has already been stated, was taken over by the province. The reason was that a situation had arisen in the province of British Colubia which would eventually cause the power commission at that particular time to put itself in such an advantageous position vis-a-vis B.C. Electric that in the final analysis B.C. Electric would have to go out of business owing to the differential in the tax structure between the publicly-owned B.C. Power Commission and B.C. Electric.

It was obvious, Mr. Chairman, that in time B.C. Electric would be in the position where it would have to bid for blocks of power, and the B.C. Hydro and Power Authority, as it is now, then the B.C. Power Commission, would be in a position to underbid B.C. Electric. As far as what has happened in British Columbia as a result of this situation is concerned, this could have happened either to the privately owned or the publicly owned utility.

The previous speaker was asked a question about public utilities commissions. These commissions are set up to regulate rates. I have no doubt in my mind whatever that when the tax rebate is received, the public

utilities commissions, taking that rebate into account, will see that it is passed on to the consumer. If it is not passed on to the consumer, the utility will be running the risk of the province taking it over anyway. The provincial governments which are responsible—and we have them all across Canada—look very carefully at this particular aspect of the tax structure.

I am in favour of this resolution, Mr. Chairman, and I speak now on behalf of the other members of this party. We hope that when the time comes for this rebate to go into effect the province of Alberta will expand in this field in the same way as has the province of British Columbia, whose expansion is second to none on the North American continent.

In the event of the rebate being passed on to the consumer there is no doubt in my mind that the industrial expansion of the province of Alberta will be affected in particular, this being one province wherein there is a private source of power. The terrific expansion experienced in British Columbia will no doubt be experienced even more so now than has been the case in the past in the province of Alberta.

The Deputy Chairman: Shall I report the resolution?

Some hon. Members: Agreed.

Mr. Lewis: On division.

Resolution reported and concurred in.

Mr. Sharp thereupon moved for leave to introduce Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies.

Motion agreed to and bill read the first time.

DAIRY COMMISSION

PROVISION FOR STABILIZATION OF MILK AND CREAM PRICES

Hon. J. J. Greene (Minister of Agriculture) moved the second reading of Bill No. C-205, to provide for the establishment of a dairy commission for Canada.

He said: Mr. Speaker, I think I said pretty well all I have to say, in a general sense, in respect to this bill on the resolution stage. I will be happy at this time to answer any queries that hon. members may have with respect to the particular clauses of the bill.

• (7:40 p.m.)

I may say, again in the same vein as I spoke on the resolution stage, that this is but part of the broader prospect of farm legislation which we hope and believe will bring the farmer into a more equitable position in the economy respective to his counterpart in industry who, during the past few years, with the industrial progress which has been made in this country, has moved ahead economically at a very rapid pace. On the other hand, I think the farmer has been equally productive. Statistics indicate that farm production has increased on a per capita basis at an even more rapid rate than industrial production in this age of automation. Despite that fact, I do not think that the farmer's economic position has kept pace with his productivity as a producer under our economic system. We have all heard many times in the past few months that the farmer finds himself caught in this price-cost squeeze where, even though he has become much more productive, the costs of the things he must buy have gone ahead far more rapidly than the price he can receive for his produce. This may be inevitable in a society that is progressing rapidly industrially. We have come up very rapidly industrially. Costs of industrial production go up. It is all to the good that there be higher wages in industry and higher returns for industry. However, on the one hand the farmer is caught by the fact that he must pay the prices that are concomitant with this fast development in the industrial world, while at the same time the price of the food he produces—some of which is sold domestically, and other of which, particularly in respect of that from western Canada which finds its way to world markets—has not kept up with the costs of the things that he must buy.

I think we would all agree that the farmer's income has not kept pace with that of his industrial counterpart. At the same time, two or three decades ago Canadians generally had not achieved the standard of living that they have today. Today we accept as necessities things that 30 or 40 years ago might have been looked upon as luxuries.

But the farmer, caught in this cost-price squeeze also, as are other citizens, expects greater social and economic returns from the fruits of his endeavour. He wants to have the things that his city counterpart has, and there is no reason why he should not have those things that are looked upon as the just rights and deserts of citizens today. I think the

farmer, caught in the cost-price squeeze, is not enabled to have the income which is comparable to his city counterpart's, as was the case pre-war. On the other hand the farmer is expected to be able to provide for his family in just as satisfactory a fashion, just as adequately, as his city counterpart. Therefore he finds himself caught on both sides of the horn of this dilemma.

Accordingly, I think that all agricultural legislation must be aimed to the end of enabling the producer to have a more adequate, more suitable and more reliable income. We are all concerned that in certain segments of the agricultural community there is a diminishing number of producers, and that not as many young people are going into farming as we should like to see. It is therefore the function of government to see to it that we have policies that will give adequate and suitable returns to the farmer, and that the profession of agriculture, and the family farm as we know it, or as it will develop in future, will provide an adequate return and an enticing way of life to our young people in the future.

I stated earlier, at the resolution stage, that in this regard I think it is necessary for us to go ahead on a threefold front. First, I think it is inevitable that if the family farm is to be maintained, to provide the kind of income of which I spoke earlier, that it must be a viable economic entity. It must be more a business than merely a social way of life, which was the way of the past. This requires larger capitalization for land, machinery, chemicals, fertilizer, etc. The family farm unit must be more heavily capitalized than was the case in the past.

Inasmuch as the private sector of the economy has not seen fit or been able to provide the capital for the farmer to expand as he needs to, then surely it is the function of government to provide this capital. We have tried to do something along these lines in an earlier measure. I am speaking of the farm credit corporation.

Second, it is of no value to have a viable economic unit if you do not have adequate and suitable markets. This piece of legislation is geared to this marketing aspect, which has always been such a bugbear in Canada by virtue of the complexities of our constitution, and which has resulted in marketing being a field requiring co-operative action with respect to legislation. Intraprovincial marketing is, of course, by virtue of judicial decisions respecting our constitution, a provincial matter.

On the other hand, many facets of marketing have an extraprovincial or extraterritorial effect. Therefore the federal government must play its proper and adequate part. In the area of marketing, to provide suitable markets and reasonable and adequate returns to the farmer we are proposing the bill that is before the house at this time, in the interests of the dairy industry. In particular it is important to point out that the stability of income that we desire for dairy farmers is not only to redound to the benefit of producers. There has been too great a tendency, because of our becoming a more urban country, with a larger percentage of our population every day, every week, every month moving into the cities, for us not to appreciate the farmer's viewpoint. His viewpoint has not been sufficiently understood or appreciated by much of our urban population.

I point out that a measure such as this, which is a step toward responsible marketing legislation with respect to a particular segment of the agricultural community, also does a very considerable service to the consumers in the urban centres, because it is intended to bring closer the day when there will not be these inevitable rises and falls in production and in price which, when they reach one end of the scale, swing around, inevitably to the detriment of the consumer. At the end of the swing, when production becomes reduced and prices go up, because there is no control over production, by reason of the lack of adequate marketing legislation, it is the consumer who pays. When prices go up, that certainly is not in the interests of the consumer. When that happens we get into the old cycle, and up goes production with higher prices. This sort of thing has been the bane of the agricultural community in the past.

The marketing aspect of the measure is meant to encourage stability, and a reasonable return for the farmer. This is an extremely important measure. I believe this is the first measure, should it be passed by parliament, enabling the national marketing of a commodity such as dairy products. I think we will all watch with interest, if this house sees fit to pass the measure, to see how it works out, and to see whether it does the job required with respect both to the consumer's needs and the producer's income. Because if this measure does what we believe it will do, it may be that the house will see fit in the years to come to bring other agricultural

products within legislation of this type, which will enable national marketing of other agricultural products on an adequate scale, in co-operation with the provinces.

• (7:50 p.m.)

I suggest that the way toward a more stable farm income and a better development of our agricultural community might well be through this type of national marketing legislation. I would say a word, also, with respect to the third aspect of sound agricultural legislation, that is, legislation to protect the farmer against drought or other calamity. In this connection we are, of course, presenting a crop insurance amendment so that the three aspects of fundamental agricultural need might be covered.

I do not wish in any way to belittle these measures to aid the problems which affect the agricultural community in our country. I do not say these measures are all that are needed—not by a long shot. I had the honour of attending as a witness before the agricultural committee of this house. This is an exercise which would be difficult for one much more expert than I am in agricultural matters. But my attendance did impress upon me very strongly a feeling I had held previously: the knowledgeable and experienced members of that committee all seemed concerned about the need for over-all direction in Canadian agricultural policy.

Measures that provide for crop insurance, orderly marketing and so on are important moves in the right direction. But I do not wish to leave the thought that this is all that is required by the agricultural community. Agricultural development in this country has been one of evolution. It has come about largely as a result of the individual initiative and individual requirements of farmers across the land with respect to their profit motivation. I do not believe there has been any comprehensive over-all planning of our agricultural growth during the years of our history. We have moved as the times seemed to require and as individuals saw best with respect to the profitable operation of their own entities. In these dynamic times in which we are living today, all of us, certainly those of us who are on this side of the house, are convinced that a great degree of planning and direction is needed if we are to achieve the most productive and profitable results from the various segments of our economic endeavour, including agriculture.

It is not easy to get at the fundamentals of agricultural need. We are all aware that the sphere of agriculture is vested in both provincial and federal governments and legislatures, and apart from measures such as this, which are patently in the right direction, I am very much of a mind that in the not-too-distant future the provinces, the federal government, the Canadian Federation of Agriculture, the farm unions and all the bodies which represent agriculture across the country will find it necessary to get together to work out a broad, new, long-term prospect for Canadian agriculture. I believe this is badly needed.

In the short period during which I have had the honour to hold this portfolio I have not yet reached conclusions as to whether we are doing the right things in the right places —whether we are growing the right crops in the right quantities. I think a broad inquiry of this kind is needed. We need to protect the domestic requirements of our agricultural community in the future, bearing in mind the growth of the domestic population, bearing in mind the new affluence of our society, and the necessity for our agricultural products being acceptable to the changing tastes of the community.

All these things must be considered to determine, in the domestic interest, what would be best for Canadian agriculture in the next two or three decades. We need long-range planning in this direction. There is an equally important requirement with respect to our national responsibilities—the part we should play in the next decade or so and the responsibilities we should assume with respect to the world food supply and our share of the commitment to world production. Statistics indicate that if we are to hold our own in our ability to supply the world with cereals we shall have to double cereal production by 1980. When we consider that the world population will double by the end of this century, and since we all believe that society as a whole must do a much better job of feeding the world than it has in the past, surely Canada, which has such abilities and resources in this sphere, will have to play a bigger part and make a larger commitment to the world community generally.

Here again, I believe there must be a pervasive national planning to determine how in the coming decades we shall be able to play our full and just part in this area as well as with respect to our domestic responsibilities.

I hope hon. gentlemen opposite will support this measure which, as I say, I believe to be a

move in the right direction. I do not minimize its importance, though there are great challenges, beyond this, in the field of agriculture. Part of that challenge is presented by the marginal unit which is gradually disappearing. The bringing of assistance to marginal and sub-marginal producers constitutes a problem which does not fall specifically to my department, but it is bound to be an important part of our agricultural planning in future decades.

This is all I have to say at the present time. I shall be pleased to answer any questions which may be addressed to me, if I can be of any help to the committee, when we come to discuss the specific clauses of the bill.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): My observations on this bill will be limited.

An hon. Member: Hear, hear.

Mr. Diefenbaker: I am glad to have that measure of support which has already become evident from an hon. member opposite. I must tell him that I deeply appreciate that applause.

• (8:00 p.m.)

I wish to say at once that anything which will bring about an improvement in the dairy industry of Canada will be welcomed. Since this government came into office the dairy industry has been the forgotten industry. The result is that in every part of the nation farmers, who for years have been engaged in dairying, are leaving that industry because there are other areas of agricultural production in which there are greater opportunities to bring about that affluent society to which the minister has referred. We on this side of the house have regularly asked for action on behalf of the dairy farmers, but action was not taken.

We hope this legislation will benefit them to some degree, but it has been delayed for so long—for over three years—that the dairy farmers are feeling a sense of frustration and discouragement. What brings me into this debate is the rather unusual philosophical viewpoint expressed by the minister toward the concluding paragraphs of his speech, and when I say that I am not in any way implying that he was reading from a manuscript. He was not. He was actually pouring forth his soul giving the house a philosophy that, in my opinion, would be detrimental to Canada.

[Mr. Greene.]

All of us will agree when he says that planning is necessary, but when he goes so far as to say that following his visits and journeys to all parts of Canada he has begun to wonder whether certain areas should, as it were, be designated to produce certain farm commodities and others other commodities, we have there the socialist concept that governments know what is best for the people. I am amazed, unless he has been in touch with the hon. member for Davenport (Mr. Gordon), that he would have expressed himself so strongly in favour of bureaucratic control of the farmers of Canada, directing them as to what they shall produce and where. Such a philosophy is alien to this country and, regardless of any views he holds in that connection, would not be acceptable to the farm population.

Sir, all of us believe that governments have responsibilities. The action taken here is far more optimistically viewed by the minister than the circumstances would ordinarily warrant. As he hon. member for Wetaskiwin (Mr. Moore) said at the resolution stage, as recorded at page 6666 of *Hansard* for June 20:

> Great hopes were raised a tthe end of March when the new dairy policy was announced. The dairy farmers believed that they were going to get at least $4 per hundredweight across the board for their milk; that was to be the guaranteed price for all milk. This price, of course, has not been realized by many producers. There is really no guaranteed price of $4 per hundredweight; there is only the hope that with the subsidy $4 will be realized.

Farmers are greatly aroused over the failure of the policy. When it was announced, they thought it was the implementation of what we in Her Majesty's Loyal Opposition had advocated over and over again; but in the manner in which it has been administered it has proven to be a mirage. In every part of Canada dairy farmers are asking, "Who brought about this hoodwinking scheme that we expected was going to benefit us in the manner that we asked and demanded"?

Across the province of Ontario ask the farmers what their attitude is. What about the province of Quebec? One of the major reasons for the outcome of the provincial election in the province of Quebec was the disregard of the federal government to take action on behalf of the dairy farmers in that province. They demanded action: they got nothing but promises. And without in any way absolving the Lesage administration for

its responsibility and contributions to its own defeat, the Quebec dairy farmers in general had lost hope.

The hon. member for Peel (Mr. Beer) smiles. He would not smile if he went into the areas of Quebec that I visited last August when, over and over again, the question they asked me was, "Why doesn't the federal government act?" Now what we are getting is the setting up of a board—

Mr. Choquette: You were defeated in Quebec.

Mr. Diefenbaker: The hon. member is better on trips abroad than he is on agriculture, and if he will just continue to travel in the direction that he hopes to on Saturday, he will have enough to keep him busy. I always like his interruptions because they bear no relationship to the discussions that are under way.

Mr. Favreau: Nor do the answers.

Mr. Diefenbaker: The minister set forth this three-headed plan of marketing legislation, farm credit and crop insurance as though he and the present government had discovered these policies. I point out that these are but a continuation of the policies which we brought into effect. They have been changed, so far as crop insurance is concerned, and I think beneficially so.

Mr. McIlraith: Hear, hear.

Mr. Diefenbaker: Oh yes, experience teaches. Even the government opposite is learning that fact.

Mr. McIlraith: Yes.

Mr. Diefenbaker: I am glad to see the Minister of Public Works (Mr. McIlraith) here because he approves of that statement. These things are not new. When I listened to the minister I was amazed as, in impassioned words, he told how they are going ahead with this great three-headed plan, every portion of which is represented by what has been done in this country for the last 25 years.

Speaking about product marketing I remember very well when the late R. B. Bennett brought the Natural Products Marketing Act before parliament, in the days when such legislation was a novelty. I remember the ridicule that was heaped on that policy and the manner in which, following an election, the King government placed that legislation before the courts and at the same time informed the courts that in their opinion it was not within the legislative competence of parliament. That was the view held at that time, when new roads and new pathways for agricultural production and for the preservation of reasonable prices for farmers' products were being followed.

As I listened to the minister speak of crop insurance I almost thought there had been a visitation from above to him, producing crop insurance, farm credit, and marketing legislation.

• (8:10 p.m.)

So far as the legislation is concerned, it represents an endeavour to secure a degree of stabilized prices and a continuity of market. That is desirable; we hope it will be successful. There are, however, one or two clauses to which I intend to make reference. Over the years I have heard from those sitting opposite about the dangers of protection. When in opposition the Liberal party always stood against protection, and when in office it carried out the policies it had condemned. Here is a very interesting portion of this particular bill:

> The governor in council may include on the import control list . . . any dairy product the import of which he deems it necessary to control for the purpose of implementing any action taken under this act to support the price of that dairy product or that has the effect of supporting the price of that dairy product.

That is a tremendous power for the governor in council to exercise—the power to assure that by order in council the government may at any time prevent the importation of any dairy product into Canada. Certainly powers like this will have to be exercised with discretion and care. These powers should not be exercised except when our neighbour to the south endeavours to dispose of any surplus in Canada to the detriment of our price level within this country. In other words, while that clause has in it the essence of protection, it can be used effectively only if in its use there is a realization of the fact that that use should be sparingly utilized, and only for the purpose of protecting and preserving the prices in Canada against the invasion of surpluses form other countries.

There are some other powers here under the regulations to which I want to make reference, because people should realize what this legislation will do:

> The governor in council may make regulations regulating the marketing of any dairy product, including regulations
>
> (a) providing for the marketing of any dairy product on a quota basis;

That power does not have to be exercised in consequence of the recommendation of any board.

(b) designating the agencies through which any regulated product shall be marketed;

That is the power which will place in the hands of the governor in council the right to designate not only the marketing on a quota basis but also the agency through which the disposal shall take place.

Here is another power. I ask the reason for this power which prohibits a person from engaging in the marketing of any dairy product, or any class, variety or grade thereof, in whole or in part except under the authority of a licence. That is a very wide and comprehensive power which could be used unjustly and unfairly. It goes on:

(f) authorizing the commission to fix, impose and collect levies or charges from persons engaged in the marketing of any dairy product or the production or processing of a regulated product for market and for such purposes to classify such persons into groups, fix the levies or charges payable by the members of the different groups and to use such levies or charges for the purpose of carrying out its functions under this Act.

That power is one which if utilized would arouse a great deal of antagonism. It might be justified on the ground that a levy is made to cover expenses of marketing and the like, provided that whatever is left over at the conclusion of each year should be repaid to the processor or to the farmer.

The purposes and objects of the legislation in the setting up of the commission are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment, and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality. If my information is correct, our dairy production will not meet the needs of Canadians within the next couple of years. Farmers in the dairy business no longer see any purpose in remaining in an agricultural production which denies them a fair and proper return.

That brings me to a matter with which the minister dealt, namely the squeeze in which the farmer finds himself. There is the rising cost of production; labour costs are very high and there is the difficulty in obtaining the necessary labour on the farm; and the price of machinery has gone up to an extent which cannot be justified. The only action taken by the government to date is the setting up of a commission of one man to look into this matter. After two and a half years of uncertain promises there is another delay.

Today the farmer finds himself, to an extent greater than in any other class, caught between the rising prices of things he has to buy, and almost a ceiling on his prices. This is one of the reasons there has been a universal demand not only among dairy farmers but also among farmers as a whole for an assurance that a reasonable degree of security will be assured them. I say to the minister that all the legislation which has been placed on the statute books will be a nullity unless there is effective action taken to meet the tremendous increase in the cost of machinery. This is where the farmer is in a dilemma today. He has no protection; he sells on the open market and he buys on a market that denies to him reasonable and fair prices. Finally who suffers? It is the consumer.

If action is taken which raises the prices of farm products to a height that would be unjust, those who suffer are the consumers of this nation. Today they are paying through the nose. There has been the largest increase in the cost of the needs of the average Canadian—an increase larger than ever before—and no action. The dollar goes down and down. All these makeshift ideas are brought into effect in order to meet the problems that are a result of the high cost of living.

One can only say that the government of Canada today pats itself on the back for having been able to achieve the settlement of two potential strikes. Why did they not do it in the first place; why did they wait all those weeks while the strike went on in Montreal, and then finally capitulate. If that be diplomacy, we indeed have had an example of it. This is an absolute determination for Canada that a 30 per cent increase in wages is the level at which settlements are to be made.

• (8:20 p.m.)

I believe in the rights of labour. Too often the man who works is forgotten. Did this government make any endeavour to find out how effective the settlement was that was finally achieved? What it amounted to, in effect, was simply the acceptance of that which, had it been accepted five weeks before, would have meant the end of the strike by the stevedores in Montreal, and that the potential strike on the great lakes would never have been threatened.

The trouble with this government is that they always wait for a crisis to develop before getting into a sweat. At that time they

finally decided to find out what these people want, and then do what they had refrained from doing during the intervening weeks, to the detriment of the Canadian economy. What we have seen by way of an increase in the cost of living in the last two months will be as nothing compared to what we are going to see within the weeks and months ahead.

Down, down, down goes the value of the dollar; yet the farmers have found themselves in the position in the last several years of having to pay prices for things they must purchase which are catapulting upward and upward. The minister says planning will have to take place. Any plan that has been offered to date or enunciated by the minister tonight, including the extension of farm credit, the adoption of crop insurance or the setting up of a commission, will be but palliatives unless the problem is faced head on. Many of us have hoped that the minister would take that course.

This minister has received more consideration than many others since assuming this portfolio. The time has now come for action rather than grand and eloquent observations, very often meaningless. All I can say to this government is that if it will bring in the necessary measures, Her Majesty's Loyal Opposition will give them every support. We want to see what can be done and we welcome this legislation as far as it goes, but I have pointed out some of the difficulties and I suggest to the dairy farmers of Canada that they will not find in this legislation that high degree of expectant hope that was placed before the house by the minister.

I like to hear the minister speak. I can just imagine what he might have said during the days of the drought, and how he might have described the picture, making the farmers really like it. This reminds me of one occasion when a certain politician in Saskatchewan was making a speech in a particular farm area. This was during the drought years when bullfrogs nine years old had never learned to swim. When his speech was completed he went outside to find out what the farmers thought about his farm program. In the darkness he heard one say to another, "Well, what did you think?" In reply he heard the other state, "He is a pretty good speaker, but an inch of rain would do a heck of a lot more good for us farmers."

Having listened to the minister this evening I can only say, about the wonderful prospects he described, that it is my fondest wish that his rosy expectations will at least bring about some improvement in the dairy industry, which has suffered irretrievable loss under this government in the last two and a half years.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I must say that the members of this group have appreciated the dissertation on agricultural philosophy that the minister gave when introducing this bill. I think some of his remarks were pretty far removed from the principle of this proposed legislation. When the right hon. Leader of the Opposition (Mr. Diefenbaker) rose to speak he started by saying that his remarks were going to be limited, but what happened? He went over the whole spectrum of agricultural administration, then dealt with labour and consumers, and concluded with a more or less political tirade.

I cannot help telling a story on the Leader of the Official Opposition—one which is his own. The right hon. gentleman was addressing a meeting on one occasion in a small area in Saskatchewan. He made a rousing speech, touching upon all points connected with agriculture. When the meeting was over the right hon. gentleman went outside. Of course it was dark by that time. He sat there and listened to the farmers talking as they got into their cars. One old gentleman said, I am told: "Wonderful speech, wasn't it Joe"? His farmer companion replied: "It was a great speech, but let me tell you Joe, two inches of rain would have done a hell of a lot more good in this community at this time".

I do not think the right hon. Leader of the Opposition was quite fair to the minister when he spoke of him as being a person who would build a bureaucracy. I do not have that opinion of him at all. It is my belief that he would go in the other direction. The minister stated that he wondered if we were growing the right things in the right places. I am sure we are not growing all the right things in the right places, but rather that in many circumstances we are growing the wrong things in the wrong places. I think the minister intends to do what he can to correct that situation.

Mr. Diefenbaker: How will he do that?

Mr. Herridge: They might do that through the operations of an institution which the right hon. Leader of the Opposition admires so much—parliament.

My attention was focused on the value of the dairy industry some 60 years ago. I will never forget when my mother purchased our

first cow, and it was a very expensive cow. After she brought it home a number of people in the district became entirely dependent upon that cow for milk. After about a month a bank manager came out to see her. It was a Mr. Blackstock who later became the assistant general manager for Canada of the Canadian Bank of Commerce. He told my mother that this cow had been pledged to the bank, along with several other cattle, by another farmer for a loan he had obtained about three months before, and he said that he had come to take possession of the cow. He said that he must have it, and asked her to take him to the barn so that he could take it back to the village. My mother then reached over the back door for a loaded 30-30 rifle which was hung there for protection against wild animals. She took it down and said: "I think too much of the dairy industry to allow this cow to leave my premises. I am going down to the barn to shoot it", whereupon the bank manager told her not to do that and assured her he would try to make other arrangements. Arrangements were made to release this cow from the other farmer's pledge. That incident focused my attention on the importance of the dairy industry.

• (8:30 p.m.)

I support the principle and purpose of this bill, just as our members did with regard to the resolution. We look upon it as another step toward the logical development of marketing dairy products in Canada. I am informed that the principle of this measure is supported by the Canadian Federation of Agriculture, the farmers unions, the Dairy Council of Canada, the dairymens associations and so on. They have been urging the federal government do to do something along this line for some time. We think it is a development in the right direction.

I understand that this bill was introduced after a study was made of the dairy industry by a committee composed of representatives of the provincial governments, the dairy farmers, the dairy council and some of the officials of the federal and provincial departments of agriculture. Therefore I do not think we can go far wrong in accepting the advice of this committee whose study was very widespread and reached into several aspects of Canadian farm life. They recommmended the setting up of this commission.

I know that hon. members of the house will watch the operation of this act with interest because it does establish a new principle in the marketing of dairy products in Canada. I think all of us would agree that as a result of the experience gained in the administration of the act amendments will be made to the legislation and improvements will be brought forward. Mr. Speaker, let me say in conclusion that we think the principle of the bill is sound. It is a development along the lines that members of this group have urged for years. We have urged this type of marketing organization, as a matter of fact, ever since our party was formed in 1932. This is the logical development in orderly marketing within the country, just as we have urged the logical development in orderly marketing without the country. That is all I have to say at this time. We will have a few questions to ask the minister when the various clauses of the bill to establish a Dairy Commission for Canada are before us in committee.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am very pleased to see that some action is at least contemplated for the dairy industry but I should like to put out one or two warnings in this regard. I am one who believes in planning, provided the planning does not defeat the end for which all good planning is designed. The only reason for governments interfering at all in the agricultural industry is to improve the lot of the producer and the consumer. This may sound very elementary but it is not really very elementary when you try to put it into practice. There is a danger in subsidy and there is a danger in lack of subsidy. I would never like to see Canadian agriculture get into the quagmire which they have south of the line. There is not a country in the western world today which does not have subsidies of one kind or another.

I hope that the minister and the experts in the Department of Agriculture will look beyond the borders of Canada to other countries which have had dairy policies for a great many years, and very effective dairy policies at that. I might mention just two in passing, Great Britain and Denmark. They have not destroyed the small family farm, either, in their national policies. There seems to be a great tendency in Canada today to concentrate entirely on efficiency and the cost per unit of production. I think this is a very dangerous thing. I am one of those who believe that the family farm can be preserved in Canada and that we can have a certain kind of efficiency along with that policy. But when we plan, whether it be in dairy marketing or any other form of planning, I see sometimes a great danger in not relating one form of planning in agriculture to another.

I am very glad to hear that the minister is aware of this problem, because you cannot plan the dairy industry of Canada without affecting the beef industry, the pork industry, the poultry industry, the grain industry and all the other ramifications of agriculture. It is a very dangerous thing to take some strong step in any one direction unless you see that the planning which is designed to help the dairy industry is spread over into the other branches of agriculture in this country.

So I go right back, as I always have, to saying that the underlying principle that we should keep in mind is the preservation of the family farm, the small farm. Whenever you pick up an article on agriculture in Canada today you are inclined to read how well off a certain segment of the agricultural industry happens to be. In the last few years, due to our grain sales, everybody thinks that every farmer in western Canada is now marketing 50,000 bushels of wheat a year and spends every winter in Florida. This is just not so. We have thousands and thousands of marginal farms, and when I say marginal farms I do not mean necessarily that the land is not productive but that the size and location of the farm, its credit rating and the labour situation on it puts it into the category of being an uneconomic unit.

I do not go along with ministers of agriculture or experts in the Department of Agriculture who say that larger and more efficient farm units is the only answer for Canadian agriculture. I say quite the reverse, that the only answer for Canadian agriculture is a very, very widely spread agricultural industry on as many small, family farm units as this country can possibly support. Therefore I agree that there must be a certain amount of planning, but any planning in Canada which tends to reduce the number of farmers on the land and concentrates only on the so-called cost per cent per unit, to the farmer's detriment and the detriment of the welfare of Canada, is in my opinion the wrong type of planning.

We need today, and always will, a larger agricultural community. The small towns and the larger towns, our transportation system, our roads system and every other segment of the Canadian community will suffer if we keep on reducing the number of family farms in this country at the rate of something like 14,000 per year. This just cannot go on if we are to keep Canada in the position in which it has always been, namely a place for a man who becomes tired of city life and wants to return to the soil from which he sprang, where he will have an opportunity with courage and determination to provide for himself a home on the land.

I am glad to see that the minister is aware of Canada's role in the world, because I have always thought that we, as a primary producing country, have a wonderful opportunity not only to raise our own standard of living but that of people everywhere, if we have a well integrated world marketing system, of which Canada's national marketing system is only one part. I believe there would be in this event a future in agriculture in Canada which would be so attractive that we would not have to worry about such little things as quotas. We would be more worried about the type of efficiency required to improve acreage production, and production per man-hour.

This does not necessarily mean that we have to cut down the number of farm units. We would get a demand from the large and well paid markets and therefore would perhaps go out, as we are in the labour field today where there is a shortage of labour, and improve the labour situation on our farms. We should do this, rather than introducing policies that tend to take 14,000 family farm units off the land every year in this country.

• (8:40 p.m.)

I know that in so far as crop insurance is concerned, the minister does not want to give the impression that crop insurance is something which has been introduced by his government. He knows quite well that in 1959 a national system of crop insurance was introduced and any province that wanted to participate could do so. Crop insurance is absolutely essential to the agriculture industry. When a man makes a very sizeable investment in both money and time, he knows that with crop insurance he is not going to be wiped out in any one year. I am all in favour of the improvement of crop insurance, and hurrying it up. I do not blame the federal government in this regard. I believe the provinces have been dragging their feet.

The provinces know quite well the value of crop insurance. Manitoba has allowed itself to be the guinea pig. Crop insurance has been of great advantage to the farmers of Manitoba, and it is my fond hope that within the next two years both Saskatchewan and Alberta will have fully integrated crop insurance plans. I believe this is one place where the federal government could be even more

generous than they have been. Crop insurance is something that affects every farmer in Canada. It does not tend to make large farms larger or small farms smaller.

When you are doing this planning, and certainly we need some planning, do not rely entirely on the Ph.D's in the agriculture department. Sometimes they cannot see the woods for the trees. I say we should lean heavily upon the farm unions in Canada because they are composed of the people who are actually living on the farms. These are the people who have to put up with the weather. These are the people who have to look for markets. These are the people who have had many years experience on the job. Sometimes you will find in discussing matters that these people are at loggerheads with the Ph.D's. If the Ph.D's make all the rules, I warn you that you will come to a dead end, and in so far as agriculture is concerned sometimes there is no return from a dead end.

In so far as farm credit is concerned, I do not believe it is necessary to make available any larger sum of money. I believe you should concentrate on enlarging the markets at reasonable prices. Then, you will find out there is no greater security in Canada than a good farm with a happy farmer. When a man is on land which will give him a good living, he will always be able to get credit with which to expand his business, especially when there is an opportunity for him to grow and sell a reasonable amount of products.

Mr. E. F. Whelan (Essex South): I do not intend to take up very much of the time of the house, Mr. Speaker. I only want to say that as a member of parliament and as a farmer I feel that legislation such as this is long overdue. This bill is a step in the right direction. Many of the products that are produced in Canada know no provincial boundaries. More federal legislation is necessary in order to help the agriculture industry. So far as I am concerned the whole of the administration of agriculture should be under the jurisdiction of the senior government. As I said earlier, many of our products know no provincial boundaries so far as sales are concerned.

There are different benefits given to the farmers in the different provinces. Those hon. members who are from the various provinces know this is true. Some producers are at a disadvantage because the province in which they reside may not be extending beneficial legislation to the producers, and yet in the neighbouring province beneficial legislation may be extended to producers who are selling their commodities in that same market.

The hon. member for Kootenay West (Mr. Herridge) referred to the fact that his mother used a gun. I am not saying that the farmers of Canada, especially the dairy farmers, are that militant. However, I can tell you that if more benefits are not given to Canadian farmers they will become more militant as time goes by. This has been proven recently in Ontario. I know that so far as my area is concerned, some of these farmers are the men who, in 1957 and 1958, believed all the promises that were made to them. These are the people who are today driving tractors up and down the roads to indicate their discontent. The farmers of this nation are upset. They are not satisfied, because they are not getting a fair share of the wealth of this nation. I know they are not getting fair treatment so far as the division of the gross national product of this nation is concerned.

Mr. L. M. Brand (Saskatoon): I should like to speak briefly on this subject, Mr. Speaker. I thought perhaps I could start out by telling that story again and completing the trilogy, but on second thought I believe we have heard it often enough. It may seem unusual for a city member to rise and speak on a measure concerning a dairy commission. However, as a result of distribution my urban riding will no longer exist as such. But this is not my main reason for rising here.

In looking over the comments made by the minister at the resolution stage I note he said, as reported at page 6657 of *Hansard,* when referring to the consultative committee:

> It is the intention that members will be representative of the various segments of the dairy industry in Canada.

Recently I had occasion to look at the Unemployment Insurance Act, which is chapter 50 of the statutes of 1955. I should like to just put on the record section 19, subsection (2):

> At least one of the members of the advisory committee, other than the chairman, shall be appointed after consultation with organizations representative of workers and an equal number after consultation with organizations representative of employers.

I wondered, in looking through the bill, why there was no statutory provision here for any members of the consultative committee to be representatives of the dairy farmers of Canada or the Canadian Federation of Agriculture. I ask the minister whether this was an oversight, and whether it might not

be a good idea to amend the bill to include this provision. I am sure, after listening to what I thought was a sociological discussion rather than a discussion of agriculture philosophy, that the minister had the best interests of the dairy farmers of Canada at heart when he introduced this measure. Perhaps this was an oversight. Nowhere in the bill is there any mention of representatives of this industry, either processors or producers, as members of the consultative committee. This is the only point I wish to make, Mr. Speaker, and I trust it is one which the minister will look at earnestly, in the interests of keeping the diary producers of the country in the forefront.

• (8:50 p.m.)

Mr. Arnold Peters (Timiskaming): I should like to say a few words on this bill. I am pleased a measure has been introduced to develop a Dairy Commission. However, I am concerned, as I am sure the minister is, about the relationship this Dairy Commission is going to have with the stabilization boards in the provinces. The reason we have not developed any real dairy policy in Canada is due to the reluctance on the part of many officials to be brave and bold in designing programs which come into conflict with the jurisdictions of other departments of agriculture in the provinces. This will probably be one of the main stumbling blocks to this legislation.

The dairy industry of Canada is very worth while, but one which in my opinion has never received the type of support it should receive. There are very good reasons for this. It seems to me that one of the major problems of the dairy segment of the agricultural industry falls pretty well within, in Ontario at least, the fluid milk industry, which produces fresh milk in containers for distribution and consumption, and the secondary milk industry, which comprises the manufacture of butter, cheese and allied products.

I have always been impressed with the problems of the farmers in the fluid milk industry who have to negotiate with dairies under quota for the supply of a given number of cans of milk at a predetermined price. In my opinion the price obtained in Ontario for fluid milk is reasonable, generally being over $5.20 and in some cases running as high as $6.10. This is a reasonable price which, in my opinion, enables the dairy farmers in Ontario to make a fairly good living.

In discussing this problem with my brother a year ago I was surprised to find that in his operation he sent less than half his milk to the fluid milk outlets, the remainder, which was produced in the same way at exactly the same cost, being disposed of on the secondary milk market at about $2.35 to him. When I mentioned that I was in support of a $4 price, he said: "Me too. I can show you that I am not getting $4 a hundredweight for the milk which I produce; and $4 is about my cost".

Over the years a farmer who had a quota set by the dairy was always willing to exceed the quota. I negotiated a milk contract for a group of farmers for a period of time but I was unable to conclude the negotiations because, in my opinion, the farmers at the time did not have the guts to dump their surplus milk, over and above that which they supplied on a quota basis. If they had, they would have found that the dairy would have had to increase their quota.

This is because fluid milk is not the only requirement of the dairy. If a dairy produces products like chololate milk, buttermilk and cottage cheese, it must purchase fluid milk. It is also interesting to note that once the dairy skims the milk to make chocolate milk out of it, the cost to the consumer of skim milk with chocolate flavouring in most cases is as high as or higher than the cost of fluid milk with the cream content remaining in the milk.

An hon. Member: That is the case with two per cent.

Mr. Peters: It may be. It depends how tight the operator tightened the screw on the separator, which in turn controls the quality of the milk. At the time I was more interested in the consumer, and in the farmer, who gets no profit out of the secondary milk; and the dairies think they do not either.

I completely agree with the farmer getting a reasonable price for his milk. But the price should be stabilized, and I would be pleased to see the establishment of a base price of $4 a hundred for milk. However, this price should also carry with it certain requirements, one of which would be this. When the federal government does decide to establish a price of $4 by paying a 75 cent subsidy on the provincial price for milk, they should be prepared to enforce the price.

The situation in Ontario, where tractors clog some of the highways, is an indication that the plan which we have implemented has failed. We have no control over provincial legislation. Neither do we have control over the setting of base prices in the provinces. If one province decides to allow the distributor to increase the price which he

charges the producer so as to allow for a lower delivery price to the factory, then the $3.25 which we anticipate will be the base price will mean that the farmer is not getting $4, but considerably less. He also has to deal with two governments, both of which are willing to pass the buck. The federal government says it has no responsibility in the field because this falls under provincial jurisdiction. The minister of agriculture in the province appears on T.V. and tells everybody that it is not his fault, the he did his share but that he has no responsibility. This does not help the farmer; when he gets his cheque he finds it is unsatisfactory.

The same situation is true in the case of the by-products of the farmer. I have had many complaints from cream producers, one of which is that they are very dissatisfied with the arrangement whereby, if they are skimming their milk on the farm, they are only paid quarterly. They see no reason for this, and neither do I.

Given the difficulty of providing machinery to make these payments, I believe that all we have to do is to feed the information into a computer, and then we will be able to make satisfactory payments. While I do not disagree that we have been slow in getting this program under way—for which the minister himself apologized—I would suggest to the minister that he assure the house and the farmers of Canada who produce cream on the farm that after July 1 payments will be made monthly as soon as the program becomes established and operational.

The fact that the $4 price takes into account skim milk at $1.05 appears to me to be unreaslistic. If you have some young pigs at the right age, you might think it all right to feed them on skim milk, in which case you find your return is $1.05 a hundred or more. But most farmers do not have sufficient quantity of pork bred on their farm to assure them a ready market for skim milk at the base price of $1.05; therefore this commodity in many cases is of little value to the economic farm unit, and in some cases of no value at all.

I know that the minister is not going to be brave about this question of provincial jurisdiction. However, many provinces would be quite willing to waive some aspects of their jurisdiction in this regard and be willing to co-operate if this assured some stability to the dairy industry.

The price which is paid today for milk is, in my opinion, the cost of production price.

No farmers get rich on $4 milk, and this includes the fluid milk producers, even though a percentage of their production is produced at a considerably higher price. They are just breaking even, and that is not good enough.

• (9:00 p.m.)

It seems to me that while the farmer in the province of Ontario, with his 38 quarts per hundred pounds gained something like 64 cents, the price of milk to the consumer went up from two to four cents, and this it seems to me is an unreasonable increase for the benefit the farmer received through the program that we are instigating.

It may be that the government will have to recommend a number of changes in distribution. There is no question but that distribution of milk has increased. In my area we could solve the dairy problem, for Timiskaming, if the minister would provide the funds to allow both the entrepreneurs and the farmers in the area to establish one large dairy unit that would buy all the milk in the area and process it. They could haul the bottled milk 60 miles to the most distant point of that area and distribute it from one central point. That operation would be big enough to include a cheese and butter factory, and to manufacture some type of skim milk powder either rolled or dry. A casein plant could be included, as well as all the other things that go along with this.

This has not happened and not because the farmers have not asked for it, Farmers have had many meetings, but they found that the cheese factory which would go into operation in the area could not obtain assistance, because arrangements for the amalgamation of processing facilities in the area could not be made.

Such a project would take into consideration the distribution problems of farmers, because farmers cannot operate distribution systems. They have an exceptionally difficult time in staying above water in operating their own facilities. I think that many farmers' facilities could be brought together, into one big industry, which would take all the milk that could be supplied, so that farmers would not have to go to the cheese factory, or whether it should go to the province of Quebec, because of the provincial subsidy, to have the milk manufactured into casein.

The minister will have to do much more than establishing a board before the dairy industry will be satisfied. I am of the opinion

that he has taken a worth-while step. I also agree that there will be interesting developments in the interprovincial trade and in the export trade of our dairy commodities.

We should all pay tribute to Mr. Arnold for the work which he has been doing in the cheese industry in Ontario. The cheese industry has been able to develop an export market, which is still rising. Mr. Arnold got himself into disrepute by free enterprising government in Toronto who wanted to take over what he is interested in, because he has been successful, and because his organization has put certain controls on its own members. He should be thanked for having developed an agency to help farmers export cheese, particularly to England, where sales of cheddar cheese are increasing.

The government will have to follow up with the next step. If smart action is taken the industry will be able to extend its export of Canadian cheddar cheese in the British market.

Also, Mr. Speaker, this Dairy Commission should have money for research. That money will not be to develop a green colour with which to dye butter, in order to satisfy the housewife that the colour matches the tablecloth—although that has been suggested. I think we could develop in Canada a great number of cheeses which are of a regional nature, which can be sold for export and sold at home as well. Restaurants in Canada are developing a market for specialized cheeses now being manufactured by the Kraft Company in Canada. Encouraging this is a wrong approach. We ought not to take cheddar cheese, grind it up and manufacture out of that a processed type or specialized type of cheese. The Department of Agriculture should be encouraging the cheese industry, to develop natural Canadian cheeses that would meet the demand which has been built up in export markets.

An hon. Member: Such as Black Diamond.

Mr. Peters: Yes. An hon. member mentioned Black Diamond. We should be very pleased with the work done by this company in the field it is engaged in. I recommend to hon. members who have not had the opportunity to sample Black Diamond specialty cheeses, to put in a good word with the hon. member representing the area concerned, and perhaps something can be done about the oversight.

This company has developed cheeses that in my opinion meet the needs of the Canadian public. They are premium cheeses, Mr. Speaker. They do not sell for the base price of 42½ cents, but run in the 75 cent and $1 class. This means that those engaged in this type of cheese industry had a reasonable return for their efforts. We as Canadians, as a result of that dairy industry, will enjoy a large export market for our cheeses.

We ought not to consider the measure before us an end all. We ought not to be content with the limitation of the federal jurisdiction in fields where the provincial governments have shown some inclination to do something, because we ought to enter those fields as far as the provincial governments will allow us to do so. In order to have a healthy dairy industry, and in order to develop that industry, we shall have to give to it all assistance possible, and to allow for its expansion.

In closing, Mr. Speaker, may I say a word for those young people who occasionally come to me, asking how they can go into the dairy business. This is a specialized field where assistance to a young person is just not possible. I believe that consideration must be given to amortizing over a long time purchases of good cattle, good blood stock, good breeding stock, at a low rate of interest, for those people who want to enter this industry.

We must do that so that those young people, by upgrading herds will be able to produce for all Canadians the type of milk that we think should be produced here, and that should be available to all Canadians. Such milk ought to be produced in the best manner, from the best possible types of cattle, because this will provide to Canadians the most nutritious products that can be supplied from farms today. If those products are supplied, then the farmer would be assured of a reasonable standard of living through the total production of dairy products.

• (9:10 p.m.)

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, it will only take two minutes to make my point. On page 5 of the order paper, item No. 48 reads, in part, as follows:

House in committee of the whole on the following proposed resolution:—

That it is expedient to introduce a measure to establish a corporation, to be known as the Canadian Livestock Feed Board, etc.—

In other words, the famous feed board concerning eastern Canada. A little further, on page 6, we read:

Second reading of Bill No. C-205, an act to provide for the establishment of a Dairy Commission for Canada.

The bill before us.

On page 7, we read:

Second reading of Bill No. C-208, an act to amend the Crop Insurance Act.

Now, Mr. Speaker, that is exactly what was promised during the last election campaign and, therefore, I just want to take a minute or two of the time of the house to congratulate the government and the Minister of Agriculture (Mr. Greene). Farmers can finally say: Here is a government which respects its commitments; and this is precisely the opposite of what the Leader of the Opposition (Mr. Diefenbaker) said when he stated that the Quebec provincial government, the Lesage government, had been defeated because Quebec had no farm policy.

Mr. Speaker, the present Union Nationale government of Quebec, recently voted into office, was elected because it promised to do what we are now doing. Here is what the Union Nationale platform says: a crop insurance act is the order of the day, as well as a feed grain board and a dairy commission. The members of the Union Nationale, and particularly Mr. Clément Vincent, who sat on the other side of the house, have taken up all the ideas of the federal Liberal government in an attempt to popularize them in the province of Quebec. This accounts for the relative success of the Union Nationale government.

In order to succeed, one only needs to take up the ideas of the Liberal party, and this is what I wanted to tell the Leader of the Opposition this evening. If Mr. Johnson succeeded in getting elected, it is because his farm policy is exactly the same as that of the federal Liberal party, with the difference that we, instead of making promises, implement that policy, as we are doing now, and I commend the Minister of Agriculture in that respect.

Mr. Lambert: The country's obstructionists and borrowers.

Mr. Choquette: Mr. Speaker, the hon. member has received such cursory applause that I realize he is wrong.

Mr. Speaker, since the Liberals have been in power, and this is not political partisanship, but quite factual observation, the dairy industry in Canada has improved substantially. In 1963, when we were elected, the average price of milk paid to the farmers of Quebec was about $2.80 or $2.90 per hundredweight. This year, the same farmers are confident that they will be getting over $4 per hundredweight. Already, there is a $1 improvement in just two years of Liberal government. I cannot imagine the Leader of the Opposition claiming that we are without a farm policy for eastern farmers.

If some people showed any deficiency in that field, it is our friends opposite. The Leader of the Opposition alluded a little earlier to his trip in the province of Quebec, and particularly to Sainte-Perpétue, and here is what his candidate, Mr. Clément Vincent, said: "Come and applaud Mr. Diefenbaker". He was so afraid that his leader would be badly received that he indulged in excessive propaganda to welcome the Leader of the Opposition. Here is what he said to the farmers in his riding: "Diefenbaker solved the problems of the west, now he will solve those of the east". He obviously admitted that his party had not done anything for the eastern farmers, and that appeared in all the newspapers of the province of Quebec. Mr. Clément Vincent confirmed the inefficiency of the Conservative party in agricultural matters.

Mr. Speaker, I rose tonight to make those few remarks and to say to the Leader of the Opposition that if he wants to succeed, he has only to keep on advocating the Liberal ideas; then he might have a chance to stay at the helm of his party.

[*English*]

Mr. Reg Cantelon (Kindersley): After listening to the wild tirade from the hon. member who has just spoken, I wonder whether I can restore the house to an atmosphere where self-help is possible. I realize the hon. member is much disturbed because the member to whom he has referred, Mr. Clément Vincent, is now minister of agriculture in Quebec. So I suppose we can forgive him for his—

An hon. Member: Jealousy.

Mr. Cantelon: "Jealousy" is the word suggested. It seems to be a good word.

I notice there is nothing in clause 5 of this bill to regulate appointments to the consultative committee, and it seems to me some thought should be given to this question. In this connection I should like to refer the

minister to section 19(3) of the Unemployment Insurance Act which also deals with the appointment of an advisory committee. I am sure he will not wish this committee to be partisan, or to be accused of being partisan.

Section 19(3) of the act to which I have referred says:

> No senator or member of the House of Commons and no member of the legislative council or the legislative assembly of any province of Canada is eligible to be a member of or to act on the advisory committee.

It seems to me that if the minister wants to have a consultative committee which will really carry out the duties assigned to it, the adoption of some such provision as this should be favourably considered.

Mr. Russell C. Honey (Durham): I wish to take a few moments to speak briefly in this debate, and I intend to raise only two points. First, I wish to say that in my opinion the Minister of Agriculture (Mr. Greene) is doing a good job for the farmers of Canada and I wish to commend him for it.

The hon. member for Lotbinière (Mr. Choquette) has just referred to legislation which is currently on the order paper. I should like to refer, also, to the provision of a 75 cent subsidy for manufacturing milk which is part of the dairy policy initiated by the present minister.

The other subject I wish to mention was referred to at some length by the hon. member for Timiskaming (Mr. Peters), namely the constitutional problem with which the dairy industry in Canada is involved, because of the division of jurisdiction between federal and provincial authorities. It is my hope that the establishment of a Dairy Commission will assist in bringing more orderly marketing to the Canadian dairy industry. We have of course all seen the press resports in the last few days drawing attention to the concern felt by farmers of Ontario about the price they are receiving for manufacturing milk, particularly, and the operation of the new dairy policy as related to the province of Ontario.

• (9:20 p.m.)

I do not want to assess any blame but, as hon. members know, there is a sort of buck passing between the province on the one hand and the federal authority on the other. But I hasten to add that in the case of the federal department the new dairy policy for manufacturing milk is working well. It has led to a substantial increase in the price to the dairy producer, and no doubt the problem in Ontario is one that has to be resolved on the basis of the provincial authority. In this connection I throw out the suggestion to the provincial authority that perhaps an additional subsidy should be paid to manufacturing milk producers in Ontario.

The province of Quebec already has such a subsidy, in addition to the federal subsidy. I mention this to illustrate the point that we have a responsibility, one which I know the minister is well aware of, to bring more order and cohesion into the marketing of our dairy products. This Dairy Commission is a good step in that direction, and I hope through the medium of it, and through co-operation with provincial authorities, we will be able to establish a more uniform method of marketing and more uniform prices across Canada.

I close by emphasizing to the minister that one of the first responsibilities of this new commission should be to co-operate and have consultation with provincial authorities to try to find a uniform method for marketing our dairy products.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is my intention to speak but briefly, and to emphasize one or two points that are of major importance in regard to the establishment of the Dairy Commission. In principle I think this is a wise move forward, and I have no better authority to substantiate that statement than the opinion of the dairy farmers themselves. I shall just quote one statement which I believe effectively expresses my own opinion of this bill in principle.

The dairy farmers of Canada have said over and over again that:

> The need for such an authority, or "commission" as the government prefers to call it, arises out of technological advances. These have resulted in a rapidly changing and developing industry—one in which previously established marketing institutions and policies are proving to be inadequate to deal with the new problems which have been created. Price and marketing policy, including price support; the policy problems created by new products; changing structures in both the farming and processing sectors of the industry; planning of dairy export policy—all of these matters have led to the urgent need for the development of new, co-ordinated dairy policy through the establishment of appropriate boards or commissions.
>
> The co-ordination must not only be between policies at provincial level, but between provincial and federal policies.

So, Mr. Speaker, I believe it is evident that the establishment of a Dairy Commission is not only essential but inevitable in view of these changes that have been taking place.

There are one or two thoughts I wish to project at this point. In many instances marketing boards, as in the case of the Dairy Commission, can serve both the producers' and consumers' interests. The task of the consumers' representative is to try to identify new board activities that are in the public interest, and then to identify and oppose those which will unduly exploit consumers. For this reason I would strongly urge the minister when setting up the commission not to appoint just members belonging to the producers' sector of the industry. I believe he should also appoint a representative of the processors as well.

I have talked this over with the minister and I believe he knows my own opinion on the matter. It seems to me that this Dairy Commission must serve all sectors of the industry. It is imperative that on it there be at least one voice representing the processors, and in the establishment of the consultative committee likewise there must be representatives of all aspects of the industry, even on a wider basis than the representation on the commission itself.

Supporting this argument is the simple fact that the effects of the board's operations will depend to a great extent on what the board tries to achieve. If the board is going to go along with the consultative committee which will advise it, then I think it is imperative that representatives of both the producer and the processor be on both the commission and the committee.

I have taken some encouragement from what the minister has been saying in recent weeks. In fact I believe he has told the National Dairy Council that a representative of the processing industry will be appointed to the commission. I hope this is true, and again I urge him that he consider such appointments most carefully.

There is no doubt but that the board will be required to exercise its power, and also to work in co-operation with provincial authorities. If co-ordination and co-operation between the commission and the provincial and federal departments of agriculture can be realized, then I am sure equitable minimum levels of returns will be secured for all milk at the producer level, and also harmony and co-operation will be achieved between the various elements of the industry itself.

I shall close with just one more point. The Food and Agriculture Organization of the United Nations recently meeting in Rome has again emphasized that the world stands on the brink of calamity with respect to food supplies. Unless we in Canada, possessing such a tremendous potential for raising food supplies, can take the lead in establishing financial and marketing policies which will distribute our surpluses both in the dairy industry, the wheat raising industry and other facets of agriculture, then I believe it is true that we do face a dangerous period so far as the food supply of the world is concerned. We are well aware that even during this present year millions of people are starving to death because they do not have enough to eat.

• (9:30 p.m.)

In recent years there has been a trend toward continual over-production in agricultural products in the Canadian economy. This applies to the dairy industry as well as to other aspects of agriculture. I am sure that within a period of five years, and perhaps even sooner, we will have before us the greatest opportunity of any nation in the world to head off calamity. Not only will we be able to do it in relation to our own surplus production but also with our know-how which is perhaps greater than any other country in the world, even the United States, in respect of agricultural production. I think this relates directly to the setting up of an international dairy policy with part of that responsibility on the Dairy Commission. Therefore I regard this as an important and vital piece of legislation. I would hope that as the minister brings the commission into being and when the appointments to the two basic bodies are made he will be mindful of these basic suggestions I have brought to his attention at this time.

Mr. Lee Grills (Hastings South): Mr. Speaker, as we have been discussing at some length the matter of a Dairy Commission for Canada, which I am all for, it seems to me that at times the debate has drifted away from the source, and when I refer to the source, I mean the dairy cow. That may sound like farmers' language, but I am still a farmer. I say the cow is the source of supply. In Ontario and Quebec it has been said that the dairy cow has paid off more mortgages than any other phase of the farm operation. The cow has been known as several things, but first of all as the source of the dairy industry of course. Actually she is the mother of prosperity on the farm.

Many arguments have been made about beef versus dairy cattle and so on. I do not intend to go into that. I think however we will all admit that milk is nature's most

perfect food. I do not think anyone will argue that point. I have been quite encouraged by some of the arguments here. The hon. member for Timiskaming (Mr. Peters) enlarged on the dairy business to some extent. I think he inherited some of his knowledge from his father, whom I knew very well. His dad was very active in the Ontario Milk Producers Association in years past, and made a real contribution.

I was very encouraged by the remarks of the Leader of the Opposition (Mr. Diefenbaker). Since he is a distinguished politician I did not expect that he was quite as much a farmer as he is, and that he had such a good concept of the dairy problem. That was quite encouraging. Coming to the Minister of Agriculture (Mr. Greene), I should like to say that I have watched him very closely since he was appointed. We were somewhat encouraged because he is an eastern member and a person who is close to eastern Canada. We were told he had a brilliant brain and was going to develop a concept of the whole agricultural policy. I think he is trying very hard. I would say that he has a good personality and is a nice fellow to talk to. Someone told me he resembled Abraham Lincoln; and I thought that was a compliment. I do not know whether or not the minister thinks so. I do know he is working hard in his present portfolio, and propagandawise, on television and radio, he almost appeared to be the saviour of agriculture. I notice he also has a charming wife, which is a real asset to any politician.

However, I should like to assure the minister that it will take more than his remarks which I have heard on radio and his pictures which I have seen on television—although he is good-looking as is his charming wife—to satisfy the farmers of Canada. The farmers are beginning to ask questions. He certainly has built himself up to the position of an outstanding lawyer-farmer. I wish him only well and I assure him of my co-operation. Nevertheless I should like to remind him of a few things. There is a real cause for dissension and unrest among the dairy farmers across Canada. I am sure he is well aware of the unrest at the moment in Ontario. While he may not think it is his problem, eventually it will be.

Our farmers across Canada are becoming older men. Many factors are involved in the dairy industry. The hours of the day, the week and the month are longer in the dairy industry than in any other phase of farming. So our farmers are getting older and cannot take it any longer. For this reason they are slowing up; they are leaving the farms; their sons are not taking over the farms. We must make the dairy picture much brighter than it ever has been. I do not think there is any question about the hours put in on the farm; all of us are well aware of that.

I should like to mention the creamery producers and I place emphasis on this because the creameries continually are on our backs and writing us letters wanting to know whether they are going to receive any consideration. Also there are the cream shippers. They too are asking questions. I know this is difficult for the minister. I hope he realizes that I know it is difficult. It must be solved, however, in one way or another.

Then there is the matter of the cheese factories. I have had more than a casual interest in the cheese factory business for many years. Recently I was quite disappointed because the minister did not succeed in obtaining some assistance in respect of the amalgamation of the cheese factories in Hastings county. I am not blaming him personally because I took him at his word, and I hope he did try to get this through. For some reason or other it failed.

Some years ago when I was here in parliament I was quite interested in establishing an export subsidy for our cheese. I come from the home of that famous cheese, Black Diamond. I know this is not the place to suggest any commercials but, as I say, Black Diamond cheese and its equivalent is widely known. That should be a standard. There is something else I should like to ask the minister, and it is this; what is our Department of Immigration doing about bringing farmers to Canada? Whoever heard of a legitimate dairy farmer or a farmer interested in dairy farming coming from southern Europe? Let us bring potential farmers from northern Europe.

• (9:40 p.m.)

I suggest that he should impress upon the department of immigration that we bring to Canada potential farmers from countries which are involved in farming generally and the dairy industry in particular. These people would not only provide necessary assistance to farmers, they would eventually be potential purchasers of our farms. Our farmers as they get older will want to sell their farms. These people could purchase them and help to maintain our farm industry.

A great deal has been said about the guarantee of $4 per hundred pounds of milk.

The minister's statement in this regard sounds very good on the surface, but the $4 per hundred pounds must be considered in relation to the increasing cost of everything the farmer must purchase. No one knows how the situation will eventually end up or how high the farmers' costs will climb. Let us all be realistic and face the facts.

As the hon. member for Timiskaming (Mr. Peters) pointed out, the consumer is rightfully concerned about increasing costs. When the milk producer demands more for his product the consumer must pay more. All I can say is that I hope our minister will take advantage of his legion of advisers and the encouragement he has received, and do something for the dairy farmers, who are very hard pressed.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am pleased to participate in the debate on this bill which provides for the establishment of a Dairy Commission for Canada. I know that the fad nowadays is to appoint commissions on all kinds of economic problems. Every time such a problem has to be dealt with, a commission is appointed. Why so many of them? Why can the Minister of Agriculture (Mr. Greene) not think of anything else but instituting new commissions?

I think the Department of Agriculture, with all its branches is big enough to handle this, considering that 75 per cent of its appropriations are for administrative expenditures. Still, another commission is being appointed; more jobs. Friends and favorites of the government will form another commission and their salaries will be much higher than the income many farmers receive in one year.

What are the purposes and functions of that commission? Will it take over from the farmer when he ceases to produce because it does not pay him? The farmer has been selling at a loss for 25 years now. Will the commission solve that problem? Farmers leave the land. Will the commission prevent them from leaving their farms?

The Catholic Farmers Union sent you some briefs. They have asked $4 per hundredweight, and that request has yet to be met. They are told they will get it, and then they do not. Will the commission give it to them? How expensive—a commission to tell the farmers; We are giving you $4 per hundredweight. It is going to cost a lot to the taxpayers.

[Mr. Grills.]

Why can the farmer not get a better price for his milk? Because the taxpayers cannot pay him, because the citizens do not have enough purchasing power to buy what produce families need. Is the commission going to solve that problem, Mr. Speaker?

There are several problems, all of which are easy to solve. They are far from being as complicated as you think, but you spend your time complicating them, wishing to favour friends of the system. I believe that is it, there is no other reason. If you want to please the friends of the system, do not take it out on the farmers, for they are bankrupt already.

The present system has led them to bankruptcy because you favoured farm loans and all the farms are mortgaged. Is that commission going to pull them out of the clutches of financiers? Never. So, why then create commissions, pay large salaries to those gentlemen who become members of the various commissions?

The farmers know their own needs; just read their brief. The Department of Agriculture and all its agronomists must know what to do. You must know the needs of the farmers; there is no need to create a new commission.

Why is the price of milk not realistic and consistent with the economic situation? It is because the necessary measures were not taken.

It has long been considered to establish commissions in order to settle the problem, to spend the taxpayers' money, to tax the people even more, the workers, the builders of the country, so as to pay some gentlemen $25,000 a year. This must be stopped. There is too much red tape in Canada. Red tape is harmful to the people, because it exploits them. The government cannot help but indulge in red tape. Farmers no longer believe in the present government, nor in any government, because they can no longer make a living.

The only thing to do is to set up a system designed to provide the necessary purchasing power and enabling the people to buy farm products. The farmers will then be in a position to sell their products and make some profits. The same holds in all areas. That is the problem to be solved. Why are the plasters always applied next to the sore, and not on it? The plasters are always applied next to the sore, so no wonder it festers and does not heal. The economic situation is in bad shape

and that is why there is so much discontent in Canada. That is why strikes are breaking out all over and soon strikes will occur in the agricultural industry. If it has not happened yet, it will.

There are problems to be solved but commissions must not be set up to pass the buck and avoid responsibilities. Most commissions are created to enable the responsible parties to pass them on to someone else's shoulders.

No one wants to assume his responsibilities. I have not yet seen a minister of agriculture or any other minister in Canada really assume his responsibilities, without passing them on to someone else, through commissions which cost a lot of money to the people. Well, the people will soon have enough of all those things.

• (9:50 p.m.)

Let us assume our responsibilities and solve those problems. They are easier to solve than we think; they are not so complicated. The government is complicating them with its agencies and economic policy of commissions. They set up one commission after the other; they spend all their time paying people who do not accomplish anything in offices, who work only two or three hours a day, and even less. We must therefor put a stop to that. If the people on those commissions worked like the farmers, I can assure you, Mr. Speaker, that the bureaucracy would be reduced, because some work would get done. No work at all is done in the departments; people do not work any more. At three o'clock in the afternoon, if you telephone civil servants, they are not there; they have left the office. Even at eleven o'clock in the morning or at two in the afternoon, several are not in their office; they are not there at ten o'clock. This is how the commissions do their work, Mr. Speaker, and the citizens are aware of it.

Mr. Speaker: Order. I am rather reluctant to interrupt the member for Compton-Frontenac, but I must remind him that the legislation now under consideration does not deal with the establishment of commissions generally, but more especially with the establishment of a Dairy Commission for Canada and I would suggest that he should restrict his comments to this subject.

Mr. Latulippe: In that case, Mr. Speaker, I will answer the member for Lotbinière (Mr. Choquette) who has made some suggestions to settle the problem. He said the price of milk climbed from $2.80 to $4 today and that this is thanks to the Liberal party. But he did not say for example, that the cost of living has tripled or risen by 300 per cent since then. He did not say that an 11 per cent tax has been put on building material and on all sorts of materials and enterprises in Canada. He did not say the cost of living has risen. Milk would have to bring $10 a hundredweight to offset the cost of living in Canada. He did not speak of that.

Who put all these taxes and caused all these economic difficulties in Canada, if not the Liberal or the Conservative party, the two old line parties which have been in power? So he talked about the Canadian Dairy Commission, and about politics, and I take the liberty to answer him.

I could talk on the subject at length, Mr. Speaker, but I will merely say that there certainly are problems to be solved. There is the financial problem; if the government took control of the financial aspect, it could pay subsidies to milk producers and farmers through the Bank of Canada, though credit given by the bank. Then the government would solve these problems; it will never do so otherwise.

Subsidies are necessary for chemical fertilizers which the farmers need so badly. Others should also be paid for various things, and at the same time the 11 per cent tax on all building materials which the farmers use and need should be removed. There would be subsidies to pay on transportation, on feed grain, on improving farmers' roads to their homes. Some of them do not even have passable roads to reach their homes. I live in an agricultural riding. There are farmers it is impossible to reach, where it is impossible to go, because the road is not passable. They are not interested in remaining on their farm. They do not even have a road to get out.

And this, Mr. Speaker, concludes my observations.

[*English*]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

Clauses 2 to 23 inclusive agreed to.

On clause 1—*Short title.*

Mr. Barnett: On clause 1, Mr. Chairman, if it were not for the hour at which I see the clock has arrived I might be inclined to make a few remarks. All I should like to say is

that, while I enjoyed very much the lyrical and broad-ranging speech of the minister on second reading, I hope the next time we discuss the establishment of a Dairy Commission he will give us the benefit of dealing a little more directly and in more detail with the subject than he did tonight. I am sure it would be helpful if in future speeches were directed more to the subject matter of the bill.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read a third time? By leave, now?

Some hon. Members: Now.

Mr. Greene moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Bernard Pilon (Chambly-Rouville): Mr. Speaker, with unanimous consent may I revert to motions, please?

The Acting Speaker (Mr. Rinfret): Does the house give unanimous consent to the hon. member for Chambly-Rouville (Mr. Pilon) reverting to motions?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Rinfret): There does not seem to be unanimous consent for the hon. member to revert to motions.

Mr. Pilon: Would hon. members opposite care to state their objections, please?

Mr. Monteith: There is no need to state any objection.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I strongly object to any unanimous consent being given at this time, and I am not called upon to give any explanation.

Mr. Monteith: Hear, hear.

Mr. McIlraith: Mr. Speaker, I wonder whether I could ask the house if it is the wish that we take another item, or would hon. members prefer to call it ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rinfret): Do hon. members agree with the suggestion made by the Minister of Public Works (Mr. McIlraith)?

Mr. McIlraith: I refer to the item dealing with crop insurance, Mr. Speaker.

Mr. Monteith: Mr. Speaker, we would be happy to deal with that item, No. 76.

The Acting Speaker (Mr. Rinfret): Is this agreed?

Some hon. Members: Agreed.

Mr. Herridge: Mr. Speaker, members of this group object to proceeding with the crop insurance item at this time.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I wonder whether I could indicate the business for Monday. We will start with item No. 77, the Atlantic Development Board resolution; then the second reading of the public utilities transfer tax bill; the health resources fund resolution at the committee stage; the Canada Assistance Plan bill, second reading; the Canadian Film Board bill, second reading; the crop insurance bill; the public service and other superannuation acts, and the C.N.R. branch line bills. In view of the large number of measures I have indicated, we may not necessarily follow that sequence in calling them, if any other sequence would suit hon. members better. Oh, I should have indicated The Company of Young Canadians bill as well.

• (10:00 p.m.)

Mr. Douglas: Will we not be proceeding with the Bank Act as it was originally intended on Monday?

Mr. McIlraith: Not on Monday.

Mr. Douglas: Can the minister say when?

Mr. McIlraith: I am not able to give a firm answer; right away, I hope and expect.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—REQUEST FOR FEDERAL UNION OF NORTH ATLANTIC COUNTRIES

Mr. David MacDonald (Prince): I rise, Mr. Speaker, to put a question again which I put

in the house on June 13—perhaps that is the reason no answer was given. The question had to do with a very important speech delivered by the Prime Minister (Mr. Pearson) on the previous Saturday, I believe, when he received the Pioneer Award at Springfield, in the United States. The substance of the question was whether, in the light of the Prime Minister's remarks on that Saturday afternoon he was recommending, or his government was going to recommend at some future date, a federal union of north Atlantic countries which would provide for some kind of collective political and economic policies.

Now, on rereading the speech I discovered that it had a great deal to say not only about some far reaching plans with regard to the economic union of the north Atlantic countries, but there was a strong suggestion made of the possibility of an even wider union including, at some far distant point in time, the union of all countries. Whether or not the Prime Minister was suggesting here some kind of world union or federation, he did not make it abundantly clear. He did say a number of other things, however, that seem to be relevant to our situation vis-à-vis NATO. One of the things he said which has not been reacted to very much in our country to date was that perhaps of all countries presently faced with the problem of NATO, France is most realistic in accepting the fact that the kind of agreements that were made in the late forties with regard to north Atlantic defence may not have the same viability and reality today that they had at that time.

By contrast, he also indicated that some of the more powerful nations making up NATO, I think by inference indicating our neighbour to the south, were not being altogether too realistic in their own reactions to the new position of France with regard to the NATO alliance. Indeed the Prime Minister went so far as to say that NATO itself is certainly not sacrosanct, and we must think of NATO in new terms and new leadership and in the sense of a greater amount of autonomy amongst the European nations. Perhaps we may even have to have a period of suspended animation, so to speak, when the European nations can consolidate their own strength, and then we can enter into some kind of far-reaching union. When we talk about the ways in which technology and the mass media draw closer together, it is interesting to think that perhaps there are new and different alternatives to the inward looking nationalism that has been part and parcel of the western world, particularly at certain difficult times in the last 50 years.

I, myself, am most anxious to see a wider public debate take place, not only in this house but in the nation, as to the possibility of new kinds of relationships, economically and politically, with nations on both sides of the Atlantic. I quote from the Prime Minister's speech:

> It is essential that we move ahead in the field of political and social organization in a way which is at least remotely comparable to our technological and scientific progress . . .
>
> I repeat, we must develop common, unifying political institutions which would provide for collective foreign and economic policies, as well as genuinely collective defence.

I am more than anxious to hear the response of either the Prime Minister or his representative here this evening.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I am convinced that the hon. member who has just spoken and all hon. members know that this government warmly shares the objective of those who favour the development of a closer relationship which would lead eventually to union among the members of the Atlantic community. The Prime Minister is a well known advocate of Atlantic union as our ultimate objective. This objective, it is true, is under strain now as a result of the proposals of the French government to withdraw from joint planning and command arrangements of the alliance. The main task for the immediate future is to concentrate on devising arrangements among the members of the alliance, including France, to minimize as far as possible the effects of the current crisis on the prospects for Atlantic union.

It seems to me that before union can be pursued effectively it will be necessary for the European members of the Atlantic community to develop their future relationships with one another. Meanwhile of course we should continue to encourage the kinds of relationships among Atlantic countries which will prepare the ground for promoting union at an appropriate time.

COMBINES—GASOLINE—REQUEST FOR INVESTIGATION INTO PRICING, MARKETING, ETC.

Mr. Max Saltsman (Waterloo South): Mr. Speaker, on June 14 I directed a question to the President of the Privy Council regarding

the pricing and sales policies of gasoline companies in many parts of the country. The question was prompted in view of the recent report of the royal commission on the gasoline price structure in the province of British Columbia, which indicated the existence of unfair trade practices.

I asked the minister whether he would give serious consideration to conducting an immediate investigation under the Combines Investigation Act into the pricing, marketing and production practices of the oil, gasoline and products industry. I based the urgency of the question on the situation which prevailed in my riding at the time, where the gasoline dealers, in despair and anger at the situation current in the industry, had decided to close down their pumps for one day in protest. This was a mood that was sweeping many parts of Ontario. Other gasoline dealers had closed down the day before and there was an indication that others were prepared to continue this kind of shut-down to register their protest at the pricing practices of the oil companies in Canada.

I am pleased to see the President of the Privy Council here tonight to reply to my question. With all due consideration for him I might say that the answer he gave in reply to my question did not give me encouragement in regard to his willingness to accept the urgency of an investigation into this situation. I am, of course, looking forward to hearing a further statement from him tonight.

In this particular case the gasoline dealers in the riding of Waterloo South have, I feel, performed a signal public service in bringing this matter to attention. I should like to quote a statement made by the president of the Association of Gasoline Dealers in Waterloo South which appeared in the *Evening Reporter* of Saturday, June 11. The president, Mr. Lester, said:

• (10:10 p.m.)

The majority of the driving public is taking a terrible beating from the companies on the price of gas—"We hate to sell it at 44-45 cents a gallon. There is no need for that price. They are becoming too greedy . . . and are fleecing the public."

At present, he said, the companies are charging Galt area dealers 38 cents a gallon for retail gas. "To get our 7.9 cents a gallon profit, which is not that large, we have to sell at 44.45 cents," he said. "At the same time, they sell it to unbranded dealers at 30-31 cents—who can re-sell it at about what we are paying."

He went on to say:

"If it is being sold at 31 cents to unbranded dealers, we intend to apply pressure to get the same price," said Mr. Lester, "At present, the situation is completely unfair." Even at that price, 31 cents, he stated, the companies are making a solid profit on auto gasoline, which is a comparatively cheap product to manufacture.

He claimed about 90 per cent of the retail station gas outlets were owned and operated by the companies, "who believe they can charge them any price they like."

"Their attitude is that, if we don't like it, we can get out of the business," he protested. This was a bad situation when many dealers had invested money and their livelihood in equipment and facilities.

The problem of gasoline prices in Canada is serious not only for the dealers involved, who I genuinely believe are working very hard for small remuneration, and who are frequently little more than serfs of the oil companies, but also for the public. There are indications that the price of gasoline in Canada is far higher than it should be. There are indications that our national oil policy, apart from its effects on the consumer, is working to the detriment of Canada; that it is not helping to reduce our balance of payments problem; and that because the oil companies in Canada are completely protected from foreign competition, the prices they charge are what the traffic will carry.

One needs only look at what has been going on in Canada to see how inefficient this industry is in looking after the public welfare. We must ask, do we need gasoline stations on nearly every corner of a metropolitan area? Also, who pays for these gasoline stations? In answering, I suggest that the public is paying for them, and that the station operators at the same time are being put into a most difficult situation in terms of earning their own living. The implications from the overbuilding that has been going on are that the cost of stations is being passed on to the public, which must pay for the high overheads in the industry.

Many other aspects of the problem could be raised, but time does not permit me to do so. I raise this question because I think it is incumbent upon the President of the Privy Council, who is head of the new department that is supposed to assume responsibility for consumer affairs, to institute a complete and wide ranging investigation in this whole problem.

One province in particular has already done this, and has come up with interesting findings. That province has made certain charges that I think the new department should investigate. But any province is restricted in the investigation it can conduct.

The President of the Privy Council can, at this moment, indicate to all provinces which are presently conducting investigations, or would like to, what the federal government is prepared to place at their disposal, so that they can work in co-operation with the government of Canada.

We can find the answers to the problems I have raised only in this way. I urge upon the President of the Privy Council—

Mr. Speaker: Order, please. I understand the hon. member's time has already expired.

Mr. Favreau: Perhaps the hon. gentleman has just a few more sentences to add. If so, I suggest he be allowed to continue.

Mr. Speaker: Order. The hon. member's time has expired.

Hon. Guy Favreau (President of the Privy Council): The hon. member for Waterloo South (Mr. Saltsman) has, in fact, urged me to cause an inquiry to be undertaken by the combines branch into the oil industry with respect to pricing, marketing and production of oil and gasoline products.

It is, of course, apparent that this is a matter of some public concern, as witness an inquiry by a royal commission in the province of British Columbia and the pressure for other inquiries at the provincial level which are in progress or are forecast.

The undertaking of such an industry-wide study is a large-scale project. Hon. members will be aware that within the past few years the Director of Investigation and Research has undertaken an inquiry into certain aspects of this industry which resulted in the publication, in 1962 of the T.B.A. report by the Restrictive Trade Practices Commission.

Clearly there are a number of important industries in Canada concerning which research studies might well be undertaken, and different views are no doubt held as to which sectors of the economy ought to be examined by way of research, and the priority to be assigned to various studies. Unfortunately, the research section of the combines branch cannot physically undertake all the projects that hon. members would suggest and, indeed, it must develop its program in an orderly manner and in accordance with the best judgment of the officials concerned in the light of the staff available.

I have already drawn to the attention of the director the suggestion of the hon. member for Waterloo South. The director has informed me that he and his staff are already well aware of the matters raised by the hon. member. I again emphasize that it would be unwise to hamper the general work of the branch, which is already overburdened, as hon. members well know, by forcing them to undertake immediately tasks which do not fit properly, for the moment, into the orderly program of research that the director is attempting to develop.

OLD AGE SECURITY—INQUIRY AS TO FURTHER LEGISLATION THIS SESSION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, June 21, as recorded in *Hansard* at page 6681, I directed a question to the Minister of National Health and Welfare (Mr. MacEachen) as follows:

> In view of the minister's statement in Vancouver yesterday to the effect that the government is giving intensive study to the problems of our old age pensioners, can he say whether this means that some legislation in this field will be placed before parliament this session, apart from what we already have?

Hansard goes on, if I may quote a few lines, as follows:

> Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would not rule out that possibility, though I am not confirming it.
>
> Mr. Knowles: As a supplementary question—
>
> Mr. Pickersgill: That is an answer worthy of Paul.

That reference, of course, was to the Secretary of State for External Affairs (Mr. Martin).

The record continues:

> Some hon. Members: Oh, oh.
>
> Mr. Knowles: Mr. Speaker, I am trying to ask a supplementary question. In the meantime, while the government is deciding on this and while the minister is trying to make up his mind, would he make a statement as to what old age pensioners are to do to meet the rising cost of living?

At that point Your Honour told me that my question had been ruled out of order previously, to which I replied: "It is still a good question".

• (10:20 p.m.)

I put the question tonight to the minister's parliamentary secretary, and I hope she will be able to tell us what old age pensioners are to do while the government is making up its mind as to whether or not there is going to be any legislation at this session increasing the old age security pension. It has been possible for many months for the government to answer this kind of question, whether it

came from this side or from dissident Liberals, by saying, "Wait for the Canada Assistance Plan. It is going to have something in it for old age pensioners, perhaps even more than the opposition is asking for."

I hope the parliamentary secretary is not going to give that answer tonight because we have now got the bill that sets out the Canada Assistance Plan and we know there is not in it any direct benefit to any old age security recipient. It provides for payments to the provinces on a certain basis, and if the provinces decide to supplement pensioners' income on a needs test basis, the federal government will share in the cost. But there is no increase in the pension itself.

This is a retrograde step about which we will have something to say on Monday when the Canada Assistance Plan is before us, but I say to the parliamentary secretary and the government, do not give us that line any longer. What both she and other Liberals on that side know is that there needs to be in this session an increase in the old age security pension at least to $100 a month across the board. Prices are going up. People are facing real problems in this area, and this parliament stands on trial on the question of whether or not it is going to meet the needs of our older people.

I make just one more comment. I suppose I should be chivalrous and say the parliamentary secretary is not old enough to remember what I am going to refer to, but I would like to remind Liberal members that the last time a Liberal government was defeated at the polls, which was in 1958, it was defeated largely because of its callous attitude to the old age pensioners. I am beginning to wonder whether the same Liberal party is not trying to court another defeat on the same issue. Despite all its talk nothing is being done to meet the needs of our older people. This is a crying shame.

I hope we are going to get legislation in this field. I hope the rumours that there are ructions in the Liberal party are true. I hope we are going to get legislation at this session. If the parliamentary secretary cannot tell us that this is the case, then I warn her that the party she supports has a very rough road ahead, and so it should, if it does not do better for the old age pensioners of this country.

Mr. Monteith: On a point of order, Mr. Speaker, I would like to correct the hon. member for Winnipeg North Centre (Mr. Knowles). The last time the Liberal government was defeated was in 1957.

Mr. Knowles: Thank you, it was in 1957.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I think the hon. member for Winnipeg North Centre (Mr. Knowles) is well aware that the Minister of National Health and Welfare (Mr. MacEachen) has already replied to similar questions by hon. members. I refer to his answers at pages 6122 and 6434 of *Hansard,* and also to page 6673 when I replied for him to a question put by the hon. member for New Westminster (Mr. Mather).

There is nothing further I can add on this occasion without being repetitive, except to say I would like to remind the hon. member of the minister's remarks in which he said that the hon. member's interest, and the interest of all of us are shared by the government, which will be demonstrated as we develop further programs in support of Canada's older citizens.

Mr. Knowles: When?

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Monday, June 27, 1966

The house met at 2.30 p.m.

[*Translation*]

COMMITTEES OF THE HOUSE

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

Mr. H. E. Gray (Essex West): Mr. Speaker, I have the honour to present the tenth report of the standing committee on finance, trade and economic affairs, both in French and in English. It is stipulated in this report that several private bills regarding insurance companies are being referred to the house.

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

PUBLIC SERVICE OF CANADA—CONCURRENCE IN FOURTH AND FIFTH REPORTS OF SPECIAL JOINT COMMITTEE

Mr. J. T. Richard (Ottawa East): Mr. Speaker, if the house gives consent I move:

That the fourth and fifth reports on the special joint committee on the public service, presented to the house on Thursday, June 23, 1966, be concurred in.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to on division.

• (2:40 p.m.)

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Richard Cashin (St. John's West) moved that the second report of the standing committee on industry, research and energy development presented to the house on Thursday, June 23, be concurred in.

Motion agreed to.

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT—CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. E. F. Whelan (Essex South) moved that the third report of the standing committee on agriculture, forestry and rural development, presented to the house on Thursday, June 23, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, since permission is again being asked that this committee sit regularly at the same time as the house, we object to the motion, which is agreed to on division only.

[*English*]

Motion agreed to on division.

TRADE

REPORT BY MINISTER ON VISIT TO UNITED KINGDOM AND RUSSIA

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, as hon. members know I have just returned from a visit to London and the Soviet union. While in London I attended a meeting of Commonwealth trade ministers, and with the permission of the house I should like to table the text of the communiqué issued at the end of the conference.

Mr. Speaker: Has the minister leave to table the document to which he has just referred?

Some hon. Members: Agreed.

Mr. Winters: These discussions, which were very useful, gave me the opportunity to meet and exchange views with my colleagues from Britain and other Commonwealth countries concerned with trade, the Deputy Prime Minister of Australia, the Deputy Prime Minister of New Zealand, trade ministers from the Commonwealth countries of the Caribbean, many of whom we shall be receiving here in Ottawa next month for the Commonwealth Caribbean-Canada conference and, of course, trade ministers from the various Commonwealth countries in Asia and Africa.

Our discussions reviewed developments in world trade, including progress in the Kennedy round of trade negotiations in Geneva, efforts being made to strengthen international commodity arrangements for such products of special interest to Commonwealth countries as wheat, cocoa and sugar, and ways and means of further strengthening trade within the Commonwealth.

Report on Trade Discussions

Right Hon. Douglas Jay, President of the Board of Trade, indicated the readiness of the British government to seek membership in the European economic community, provided the essential interests of Britain and Commonwealth countries were safeguarded. It was agreed that other Commonwealth countries would be kept fully informed by the British of the progress of their exploratory discussions. Mr. Jay indicated that the British government would consult closely with other Commonwealth governments at all stages of any negotiations that might take place.

Taking into account the variety and diversity of interests within the Commonwealth group, there was a good spirit of co-operation from all sides. There was a clear recognition of the value of relating the development plans of the different Commonwealth countries to one another through the exchange of information.

There is clearly scope for substantially increased trade among Commonwealth countries on a multilateral basis. A meeting of senior planning officials from Commonwealth countries is to be convened, with a view to exchanging ideas on planning techniques, regional co-operation in planning, and co-operation in trade promotion.

So as to help the developing Commonwealth countries in their export promotion efforts we have offered to bring to Canada, later this year, up to five officials from developing Commonwealth countries for special courses on trade promotion. In addition we have offered to make senior Canadian government trade commissioners available to conduct seminars on trade promotion in the developing countries themselves.

We have also undertaken to provide to the developing Commonwealth countries information on market surveys and trade opportunities around the world, as contained in the department's publication "Foreign Trade". This offer of assistance was well received, as well as our willingness to lend assistance in the techniques of tourist promotion, to which developing countries attach great importance.

I also took the opportunity while in London to call on various British ministers, including Right Hon. Douglas Jay, President of the British Board of Trade, and Mr. George Brown, First Secretary of State and Minister of Economic Affairs, who has special responsibilities for Britain's relations with Europe.

[Mr. Winters.]

Among other things we explored how we might further strengthen the process of consultation and co-operation between our two countries. We agreed that it would be to the benefit of both countries if ministers concerned with commercial and economic relations were to meet at intervals for discussion of matters of common concern. To this end an Anglo-Canadian ministerial committee on trade and economic matters is to be established. It is hoped that we shall be able to hold the first meeting of the committee later this year.

In Moscow, as the Minister of Finance has already informed the house, I signed, on behalf of the government of Canada, a protocol extending for a further three years to April 17, 1969 the Canada-U.S.S.R. trade agreement. Hon. members are aware that this agreement was first concluded in 1956 and subsequently extended by the protocols of 1960 and 1963.

Under the agreement each country undertakes to extend most favoured nation treatment to the other. This means that imports into Canada of Soviet goods will continue to enter at most favoured nation rates of duty, and Canadian exports to the U.S.S.R. will continue to enjoy similar treatment in that market. The agreement allows for exceptions on both sides, where matters relating to national security are involved.

• (2:50 p.m.)

The exchange of most favoured nation treatment, with respect to shipping, relates to the treatment to be accorded to the vessels of either country while in the ports of the other. The terms of the protocol signed in Moscow are in general the same as those of the protocol of 1963, and provide, on a fully reciprocal basis, for facilitation of visits for business purposes. Both sides have also undertaken to continue to consider sympathetically any representations either government may make to the other concerning implementation of the agreement, or other matters affecting their commercial relations.

While in Moscow I talked on a number of occasions with Mr. Patolichev, Soviet Minister of Foreign Trade, about the development of Canada-U.S.S.R. trade. We both recognized the importance of widening the range of goods moving between our two countries, and we discussed the possibility of an increase in the number of trade missions that might be organized between the Canadian business community and Soviet foreign trade organizations.

In my discussions with Mr. Patolichev I emphasized the interest of our businessmen in marketing a broader range of Canadian manufactured goods in the U.S.S.R., as well as the basic materials, wheat and other goods now being exported. For his part, Mr. Patolichev explained the great importance which the U.S.S.R. attaches to developing Soviet exports to Canada. I explained to him that Soviet goods had the same opportunity to compete for sales in the Canadian market as the goods of other countries to which we extend most favoured nation treatment. So there would be no misunderstanding, I gave him a letter indicating that I saw no reason why, within the framework of our laws and regulations, it should not be possible for the U.S.S.R. to develop its exports to the Canadian market.

Mr. Speaker, I beg leave to table copies of the letters exchanged in this regard, and of the protocol extending the trade agreement.

Mr. Speaker: Is it agreed?

Mr. Diefenbaker: Mr. Speaker, would it be possible to have both these documents, the one just mentioned and the one mentioned earlier, included as an appendix to today's *Votes and Proceedings*?

Some hon. Members: Agreed.

Mr. Winters: My colleague the Minister of Finance has already given to the house details of the very important wheat sales that have been concluded with the U.S.S.R. It is gratifying that Canada now has assured sales to the U.S.S.R. of nine million long tons over the next three years, including substantial quantities of flour. I need hardly point out the implications of these sales for the production and marketing of Canadian wheat and flour. This transaction will provide strong underlying support for our whole economy, and for our efforts to expand Canadian exports. As indicated by the Canadian Wheat Board, the wheat will be shipped from both Pacific coast and eastern Canadian port areas. The sales to the U.S.S.R. will be a factor of strength in the world wheat market, and will constitute an important element of stability in our trade relations with the U.S.S.R.

Mr. Speaker, the Canadian delegation and I personally were most warmly received by the Soviet authorities in both Moscow and Leningrad, and by the many Russian people we met. On every hand there was evidence of the Soviet desire to strengthen relations with Canada. I was able to note the efforts being made to increase productivity and to improve social conditions in the U.S.S.R. I believe there is room for the development of technical exchanges between Canada and the U.S.S.R. to the mutual benefit of both countries, and that both would benefit from the knowledge and understanding that would come from more widespread contact between the two peoples.

I am delighted that Mr. Polyansky, first deputy chairman of the U.S.S.R. Council of Ministers, with whom I had useful discussions in Moscow, is presently visiting Canada as head of the Soviet parliamentary delegation, and I am sure he will find his stay here both enjoyable and rewarding. I have invited Soviet trade minister Patolichev to visit Canada next year, and he is hopeful that it will be possible for him to come during the period of Expo '67. He will be most welcome.

In conclusion, Mr. Speaker, may I say that the government regards the Soviet union as a valued and continuing trading partner of Canada. The extent to which our sales to the Soviet union may further expand and diversify will reflect, in part, the success of Soviet sales efforts in this market. Canadian businessmen, in deciding on the source of their import needs may wish to consider availabilities from the Soviet union in the same way as from other sources, and be guided in their decisions in this regard by normal business criteria. Thank you, Mr. Speaker.

Hon. George Hees (Northumberland): Mr. Speaker, I feel sure that hon. members of this house welcome back the Minister of Trade and Commerce from his useful trip to London and Moscow, and that we have all found interesting the report he has given us on his talks with other commonwealth trade ministers at the conference which has just been concluded. This was a conference which I am sure will be helpful in promoting increased trade within the commonwealth and a better understanding among its members. Having taken part in conferences of this kind I realize their potential in achieving these things, and I am sure the latest will be equally useful.

We have all been interested to read in the papers and have had confirmed here today, that the talks the minister has had with the British trade minister have led to an arrangement for a Canada-Britain ministerial meeting dealing with trade matters. I am sure everyone will agree that this will help lead to a greater Britain-Canada trade in the future.

Report on Trade Discussions

We are all very pleased to hear of the protocol renewal which will make it possible for us to extend our trade agreement with the U.S.S.R. for another three years, and which should make it possible to expand our trade with that country in the years ahead. I am sure all members of the house are hopeful that this expanded trade will make possible steadily improving relationships and understandings between this country and the U.S.S.R.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party welcome back the minister of trade. We are glad to hear his statement this afternoon having to do with two matters, the first relating to commonwealth trade. Unfortunately, commonwealth trade, as Mark Twain said of the weather, is something about which a great many things have been said but about which not too much has been done.

One problem that has faced Canada for years under successive governments relates to our very large trade deficit with the United States. Often our trade balance with other countries has not been sufficient to balance our total trade, and has never been sufficient to balance our international payments. This problem is increasing in that the nations with which we have a favourable balance of trade are becoming concerned. Quite recently in the city of Ottawa, Right Hon. Douglas Jay, President of the Board of Trade of the United Kingdom, commented on the fact that over a period of years the United Kingdom has been purchasing roughly 50 per cent more from Canada than we have been purchasing from Great Britain.

This has not always been just a matter of tariffs or most favoured nation agreements. It has often been felt by Britain, and I think with some justification, that the valuation for duty purposes has not been realistic and in many cases has been discriminatory. If we are really going to do something about commonwealth trade there must be a much more realistic approach than anything that has been taken to date.

I was very glad to hear the minister announce that there is to be an Anglo-Canadian ministerial committee on trade and economic matters set up to meet this fall. I know that what concerns many Canadians is the fact, as the minister has commented in his statement, that Great Britain is likely to make application for membership in the European economic community. While Great Britain, with the best intentions in the world, will try to safeguard commonwealth trade, it will have to bargain to get into the European common market. In the process of bargaining we could very easily lose some of the market which we now enjoy with Great Britain for many of our primary products. Therefore I think it is extremely important that this committee go to work and go to work quickly.

• (3:00 p.m.)

The second thing the minister referred to was the signing of the agreement with the U.S.S.R., something which has been applauded from all parts of the house. The minister referred to the question of extending trade between our two countries. If I remember correctly the figures over the last three years, we have bought from the Soviet union something like $27 million worth of goods and have sold to them something in the neighbourhood of $800 million worth, which is about 30 to 1. If we look upon the wheat deals as merely temporary, emergency situations, then the present approach is adequate; but if we are hoping to make the Soviet union a continuing market for Canadian products and Canadian wheat, then certainly every effort must be exerted to make possible increased sales of Russian goods to Canada.

Again, I do not think this is just a matter of tariffs. I think it is a matter of looking realistically at the valuation for duty purposes and canvassing the entire market situation so we can establish a genuine two way trade policy, because only on that basis can we hope to have continuing trade with the other nations of the world.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are happy to note that the Minister of Trade and Commerce (Mr. Winters) has had an excellent trip to Britain and Russia. We are also happy to note his return since his presence is always appreciated by the house of which he is a distinguished member.

The Minister of Trade and Commerce has informed us of the talks which were held in Russia and Britain. Needless to say that we rejoice at the sale of wheat to Russia which has recently been made and at the protocol that he signed to facilitate trade between the two countries.

We also want to congratulate the Minister of Trade and Commerce for his share in the talks held in Britain with a view to facilitating trade between Commonwealth countries

We believe Canada is an immensely rich country, capable of producing vast amounts of high quality products; we are also convinced that Canada is capable of helping other countries of the world by selling or supplying their needs and, in return, by obtaining from them what we cannot have here. To my mind, trade between countries should be promoted, since each country benefits and we congratulate the minister for his successful trip in this regard.

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in commenting briefly on the two matters raised by the Minister of Trade and Commerce I should just like to say that we have already expressed our approval of the protocol that was signed extending the trade agreement with the U.S.S.R. until 1969. I think the minister has pointed to one of the most important aspects of trade between the U.S.S.R. and Canada, in that we need to explore every possible, practical way of expanding the market for U.S.S.R. products in Canada.

I welcome the suggestion by the Minister of Trade and Commerce that the Canadian government would assist in sending to that country more trade missions made up of businessmen, who I think could in a practical way inspect the goods that are available within the U.S.S.R. and see whether they could find an immediate and growing market within the Canadian economy.

We would also like to know—and I have asked the Minister of Finance a number of times about this—how much flour is included in the contract. We would particularly like to know the amount for the first year. We have been told there is a firm contract for some 112 million bushels of wheat starting August 1, 1966, and perhaps the minister knows now how much of that 112 million bushels will be shipped in the form of flour.

The other matter the Minister of Trade and Commerce raised was the meeting he had in London with representatives of the other Commonwealth countries. He mentioned the Kennedy round of negotiations. I certainly hope that some greater progress will be made in these discussions than has been apparent in the immediate past. As far as the British entry into the European economic community is concerned, I am sure the minister understands that all these conditions must be fairly clearly spelled out before a Commonwealth country such as Canada can agree to them, because a very, very large portion not only of our own trade but that of many of the other Commonwealth countries is tied up in trade directly with Britain, and we will have to be extremely careful to see that these Commonwealth preferences are not interfered with by Britain's entry into the European economic community.

Right Hon. Douglas Jay said, I believe, or at least is reported to have said, when he was in Canada that "either Canada increases purchases in the United Kingdom or faces a significant decline in British purchases in Canada." While Britain may feel there is an economic necessity for her to say and do these things, I think the minister ought to tell us, if he knows, what commodities Britain has in mind in cutting back significantly on purchases from Canada unless we are able to increase our purchases from the United Kingdom.

CANADA GRAIN ACT

PROVISION FOR LICENSING OF OFF-TRACK ELEVATOR STORAGE

Mr. J. H. Horner (Acadia) moved for leave to introduce Bill No. C-212, to amend the Canada Grain Act (off-track elevator licensing).

Some hon. Members: Explain.

Mr. Horner (Acadia): Mr. Speaker, this bill has been before the house previously. Actually it is an amendment to the Canada Grain Act which would allow the Board of Grain Commissioners to license off-track elevator storage. With the two transportation companies, the C.P.R. and the C.N.R., moving into the trucking industry at a great rate and with the proposed rail line abandonments, it is only logical to assume that elevator storage off-track should now be allowed to be licensed. I hope the government will take this amendment into consideration and perhaps see that it is adopted.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. Mitchell Sharp (Minister of Finance) 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 to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies in amounts not exceeding, in the calendar year 1965, the amount of $161,600,000, and not exceeding, in the calendar year 1966, the amount of $192,000,000; and to make, in the calendar year 1967 prior to the 1st of July, 1967, certain capital expenditures, by way of investing in the securities of Air Canada, not exceeding $126,000,000 and certain other capital expenditures toward the acquisition of equipment, additions and conversions not exceeding $90,000,000; to provide for the financial requirements of Air Canada in an amount not exceeding $50,000,000, either by means of loans from Her Majesty to the National Company or by means of issues of securities of the National Company, authorized and guaranteed as to interest and principal by Her Majesty, the cash proceeds by either method to be used only for the financial requirements of Air Canada, the capital needs of the National Company itself being met entirely through the sale of preferred stock to Her Majesty and from reserves from depreciation and debt discount; to authorize Her Majesty to continue to purchase until December 31st, 1967, Canadian National Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues of the Company; to extend until December 31, 1967, the moratorium on interest on the loan of $100,000,000 to the Company authorized by the National Railways Capital Revision Act of 1952; to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating reserves to June 30, 1967, any such loans to be repaid from revenues of the Railway Company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by Parliament.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX PAYMENTS TO FEDERAL GOVERNMENT

Question No. 591—**Mr. Davis:**

1. What were the personal income tax payments to the federal government in total and on an average per capita basis, by province, for the fiscal year 1963-64?

2. What were the corporate income tax payments to the federal government in total and on an average per capita basis, by province, for the fiscal year 1963-64?

Hon. E. J. Benson (Minister of National Revenue): 1. Personal income tax payments to the federal government in total for the fiscal year 1963-64 were $2,454.6 million. The total includes old age security tax and provincial income tax collected by the taxation division. (The province of Quebec collects its own provincial income tax. Therefore, the figures for that province are net federal tax). Collection figures by provinces are not available because payments and refunds processed by the taxation data centre in Ottawa in 1963-64 relate to all provinces and district office collection figures, therefore, do not indicate correctly the amount collected in each province. The following table, based on an analysis of tax returns, shows the total tax payable by individuals in respect of the 1963 taxation year distributed by province of residence:

Province	Total tax payable $ million	Average per capita $
Newfoundland	22.0	45.74
P.E.I.	3.8	35.51
Nova Scotia	47.0	62.17
New Brunswick	33.0	53.75
Quebec	474.3	86.74
Ontario	1,049.7	162.79
Manitoba	105.3	110.84
Saskatchewan	86.0	92.18
Alberta	156.4	111.32
British Columbia	254.9	150.38

2. Corporate income tax payments to the federal government in total for the fiscal year 1963-64 were $1,472.2 million. The total includes old age security tax and provincial income tax collected by the taxation division. (The provinces of Ontario and Quebec collect their own corporation tax. Therefore, the figures for those provinces represent net federal tax). Collection figures by province, based on the district office of filing, are shown in the following table:

Province	Total collections $ million	Average per capita $
Newfoundland	14.2	29.49
P.E.I.	2.3	21.62
Nova Scotia	16.8	22.23
New Brunswick	13.1	21.36
Quebec	432.1	79.02
Ontario	700.6	108.65
Manitoba	47.1	49.63
Saskatchewan	15.0	16.05
Alberta	81.1	57.69
British Columbia	149.6	88.28

*PROSECUTIONS UNDER COMBINES ACT

Question No. 1,229—**Mr. Orlikow:**

1. In the past ten years, in how many cases did the government charge and prosecute companies for violations of the Combines Act, except for cases under section 33-(c)?

2. In each case, what were the names of the companies involved?

3. In each case, what were the names of the companies found guilty when prosecuted, and what were the penalties imposed by the court?

4. What were the costs to the government of investigating and prosecuting the above cases, exclusive of the salaries of permanent government employees, but including fees paid to lawyers, court reporters and other officials, travelling expenses for officers of the Department of Justice, cost of transcripts, etc.?

[*Translation*]

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, this is a starred question the hon. member for Winnipeg North (Mr. Orlikow) put on the order paper.

The reply is ten pages long. I got in touch with the member, through the member for Winnipeg North Centre (Mr. Knowles), and I understand he would be willing, provided the house agrees, to accept that the reply be considered as read and then printed in *Hansard*.

Mr. Speaker: Does the house agree?

Some hon. Members: Agreed.

Mr. Favreau:

1. 28 Cases (This covers the period April 1, 1956 to March 31, 1966 and includes cases where prosecution proceedings were completed or instituted during that period but does not include 4 Cases in which orders of prohibition pursuant to section 31 (2) of the Combines Investigation Act were applied for and granted.)

Case	Prosecution under section	2* Companies and individuals charged	Date of judgment	3* Companies and individuals found guilty	Penalties imposed	4 Costs of Case
					$	$
Wire Fencing..	498 (1)(d) of Cr. Code	Dominion Steel and Coal Corporation, Limited Canadian Steel Corporation, Limited The Steel Company of Canada, Limited Frost Steel and Wire Company, Limited Lundy Fence Company Limited New Brunswick Wire Fence Company, (Limited)	April 27, 1956 Toronto	Dominion Steel and Coal Corporation, Limited Canadian Steel Corporation, Limited The Steel Company of Canada, Limited Frost Steel and Wire Company, Limited Lundy Fence Company Limited New Brunswick Wire Fence Company, (Limited)	10,000 10,000 10,000 10,000 10,000 10,000 60,000 Prohibition Order granted	43,217.60
Electrical Appliances..	34 C.I. Act	Moffats Limited	Sept. 21, 1956 Toronto	Moffats Limited	500 Prohibition Order granted	8,206.66
Quilting.....	498 (1) (d) of Cr. Code	Berback Quilting Ltd. Master Quilting Co. Ltd. The Montreal Quilting Co. Ltd. Quilted Products Ltd. Toronto Quilting & Embroidery Ltd. Ralph Baker (Baker Quiting Co.) Israel Zackon and Walter Marczak (Bucky Zackon Reg'd.) Isidore Levitt, Henry Tylman (Experts' Quilting Co.) David Zuckerstein, Arthur Shipper, Joseph Weinberg, Joseph Luckfeld (Quebec Quilting Products Co.) Abraham Weintraub (Independent Quilting Co.) Matador Inc.	Oct. 3, 1957 Montreal	Berback Quilting Ltd. Master Quilting Co. Ltd. The Montreal Quilting Co. Ltd. Quilted Products Ltd. Toronto Quilting & Embroidery Ltd. Ralph Baker (Baker Quilting Co.) Israel Zackon and Walter Marczak (Bucky Zackon Reg'd.) Isidore Levitt, Henry Tylman (Expert's Quilting Co.) David Zuckerstein, Arthur Shipper, Jospeh Weinberg, Joseph Luckfeld (Quebec Quilting Products Co.) Abraham Weintraub (Independent Quilting Co.) Matador Inc.	200 1,000 1,000 1,000 1,000 150 200 150 200 100 1,000 6,000 Prohibition Order granted	7,046.81
Coal—Winnipeg	498 (1) (d) of Cr. Code	D. E. Adams Coal Ltd. Federal Grain Limited (Fort Rouge Coal Company) Hagborg Fuel Limited Harstone Coal Company Ltd. Thos. Jackson & Sons ,Limited	Nov. 12, 1957 Winnipeg	D. E. Adams Coal Ltd. Federal Grain Limited Hagborg Fuel Limited Harstone Coal Company Ltd. Thos Jackson & Sons Limited Jubilee Coal Co. Ltd.	750 2,000 1,500 2,000 2,000 250	20,984.51

		Jubilee Coal Co. Ltd. McCurdy Supply Company Limited Northland Coal & Ice Co. Ltd. Red River Co-Operative Supply Ltd. Windatt Coal Company Limited The Winnipeg Supply & Fuel Company Limited John Beverley (Beverley Fuel Supply) Jerry Nepon and Max Faiman (Crown Fuel Co.) Robert Henderson Irvine and William Irvine (John Irvine & Sons) Joseph S. Miller (J. S. Miller Coal Co.) Saul Simkin (Simkin's Fuel Company) Alexander Turk (Alex Turk Fuel) Ruben Wolfman, Sam Wolfman and Harry Wolfman (Wolfman Fuel)		McCurdy Supply Company Limited 1,500 Northland Coal & Ice Co. Ltd. 2,000 Red River Co-operative Supply Ltd. 750 Windatt Coal Company Limited 750 The Winnipeg Supply & Fuel Company Limited 2,500 John Beverley 250 Jerry Nepon 125 Max Faiman 125 Robert Henderson Irvine 125 William Irvine 125 Joseph S. Miller 750 Saul Simkin 1,500 Alexander Turk 750 Ruben Wolfman 100 Sam Wolfman 100 Harry Wolfman 50 Prohibition Order granted 20,000	
Transmission and Conveyor Equipment	498 (1)(d) of Cr. Code	Link-Belt Limited United Steel Corporation Limited Jeffrey Manufacturing Company Limited Forano, Limited Stephens Adamson Mfg. Co. of Canada Limited Bond Engineering Works, Limited Webster-Smallwood, Limited	Nov. 22, 1957 Toronto	Link-Belt Limited 10,000 United Steel Corporation Limited 10,000 Jeffrey Manufacturing Company Limited 10,000 Forano, Limited 10,000 Stephens Admanson Mfg. Co. of Canada Limited 10,000 Bond Engineering Works, Limited 1,000 Webster-Smallwood, Limited 1,000 Prohibition Order granted 52,000	40,048.03		
Asphalt Roofing	498 (1)(d) of Cr. Code	The Barrett Company Limited Building Products Limited Canadian Johns-Manville Company Limited Dominion Tar & Chemical Company Limited** Brantford Roofing Company Limited Canadian Gypsum Company (Limited) Sidney Roofing & Paper Company Limited Alexander Murray & Company, Limited Bishop Asphalt Papers Limited The Philip Carey Company Ltd. Currie Products Limited Canada Roof Products Limited	Jan. 7, 1958 Toronto	The Barrett Company Limited 10,000 Building Products Limited 10,000 Canadian Johns-Manville Company Limited 10,000 Brantford Roofing Company Limited 10,000 Canadian Gypsum Company (Limited) 10,000 Sidney Roofing & Paper Company Limited 10,000 Alexander Murray & Company, Limited 10,000 Bishop Asphalt Papers Limited 10,000 The Philip Carey Company Ltd. 10,000 Currie Products Limited 10,000 Canada Roof Products Limited 10,000 Prohibition Order granted 110,000	40,499.63		

*In accordance with the verbal request of the honourable member, individuals as well as companies are included in the answers to these questions.
**Charge dismissed.

Case	Prosecution under section	2* Companies and individuals charged	Date of judgment	3* Companies and individuals found guilty	Penalties imposed		4 Costs of Case
					$		$
Boxboard Grades of Paperboard	498 (1)(d) of Cr. Code	Bathurst Power & Paper Company Limited	Nov. 12, 1958 Montreal	Bathurst Power & Paper Company Limited	7,000		17,795.58
		The Beaver Wood Fibre Company, Limited		The Beaver Wood Fibre Company, Limited	10,000		
		Consolidated Paper Sales Limited..		Consolidated Paper Sales Limited.			
		Consolidated Paper Corporation Limited		Consolidated Paper Corporation Limited	6,000		
		The E. B. Eddy Company		The E. B. Eddy Company	6,000		
		Fraser Companies, Limited		Fraser Companies, Limited	7,000		
		Gair Company Canada Limited		Gair Company Canada Limited	3,000		
		Hinde and Dauch Paper Company of Canada, Limited		Hinde and Dauch Paper Company of Canada, Limited	3,000		
		Howard Smith Paper Mills, Limited		Howard Smith Paper Mills, Limited	3,000		
		Minas Basin Pulp and Power Company Limited		Minas Basin Pulp and Power Company Limited	1,000		
		Northeastern Paper Products Limited		Northeastern Paper Products Limited			
		Anglo-Canadian Pulp and Paper Mills Limited		Anglo-Canadian Pulp and Paper Mills Limited	3,000		
		The Miller Brothers Company, Limited		The Miller Brothers Company, Limited	1,500		
		Price Brothers Sales Corporation		Price Brothers Sales Corporation..			
		Price Brothers & Company, Limited		Price Brothers & Company, Limited	10,000		
		St. Lawrence Corporation Limited		St. Lawrence Corporation Limited..	3,000		
		Strathcona Paper Company Limited		Strathcona Paper Company Limited	1,500		
					Prohibition granted	65,000 Order	
Metal Culverts	411 (1)(d) of Cr. Code	Armco Drainage & Metal Products of Canada, Ltd.	Nov. 13, 1959 Toronto	Armco Drainage & Metal Products of Canada, Ltd.	20,000		25,878.21
		Canada Culvert Co., Limited		Canada Culvert Co., Limited	3,000		
		The Pedlar People Limited		The Pedlar People Limited	15,000		
		Rusco Metal & Roofing Products Ltd.		Rosco Metal & Roofing Products Ltd.	12,000		
		Westeel Products Limited		Westeel Products Limited	15,000		
					Prohibition granted	65,000 Order	
Breweries	32 of C. I. Act	Canadian Breweries Limited	Feb. 8, 1960 Toronto	Acquittal			166,845.22
Pulpwood	498 (1)(d) of Cr. Code	Abitibi Power & Paper Co. Ltd.	June 15, 1960 Montreal	Abitibi Power & Paper Co. Ltd.	15,000		62,853.76
		Anglo-Canadian Pulp & Paper Mills Ltd.		Anglo-Canadian Pulp & Paper Mills Ltd.	20,000		
		Armstrong Forest Co.		Armstrong Forest Co.	8,000		
		Canadian International Paper Co.		Canadian International Paper Co.	25,000		

		Consolidated Paper Corporation Limited Donnacona Paper Co. Ltd. The E. B. Eddy Company Gair Company Canada Limited Gaspesia Sulphite Co. Ltd. Howard Smith Paper Mills, Limited The KVP Co. Ltd. The James MacLaren Co. Ltd. The Ontario Paper Co. Ltd. Richmond Pulp & Paper Co. of Canada Ltd. St-Anne Power Co. St. Lawrence Corporation Limited Spruce Falls Power & Paper Company Ltd.		Consolidated Paper Corporation Limited..... Donnacona Paper Co. Ltd..... The E. B. Eddy Company..... Gair Company Canada Limited..... Gaspesia Sulphite Co. Ltd..... Howard Smith Paper Mills, Limited The KVP Co. Ltd..... The James MacLaren Co. Ltd..... The Ontario Paper Co. Ltd..... Richmond Pulp & Paper Co. of Canada Ltd..... St-Anne Power Co..... St. Lawrence Corporation Limited.. Spruce Falls Power & Paper Company Ltd.....	20,000 10,000 20,000 8,000 15,000 25,000 10,000 8,000 10,000 8,000 10,000 20,000 8,000	240,000	
Electrical Construction and Electrical Equipment	411 (1)(d) of Cr. Code	Electrical Contractors Association of Ontario Clarence William Dent	June 15, 1960 Toronto & Nov. 28, 1961 Toronto	Electrical Contractors Association of Ontario..... Clarence William Dent.....	7,500 7,500	15,000 Prohibition Orders granted.	21,154.85
Sugar—Western	32 of C. I. Act	The British Columbia Sugar Refining Company, Limited B. C. Sugar Refinery, Limited	Aug. 8, 1960 Winnipeg	Acquittal.....			71,173.11
Gasoline—Toronto	34 (2) of C. I. Act	The British American Oil Company Limited	March 10, 1961 Toronto	Acquittal.....			4,236.61
Coal—Sault Ste. Marie	411 (1)(d) of Cr. Code	Lyons Fuel Hardware and Supplies Limited Soo Falls Brewing Company Limited McMaster Fuels Limited	Sept. 6, 1961 Sault Ste. Marie	Lyons Fuel Hardware and Supplies Limited..... Soo Falls Brewing Company Limited McMaster Fuels Limited.....	4,000 3,500 8,000	15,500 Prohibition Order granted	7,850.36
Oil Filters.....	34 (2)(b) and 34 (3)(b)(i) of C. I. Act	Kralinator Filters Limited.....	Nov. 21, 1962 Winnipeg	Kralinator Filters Limited.....	1,500		4,179.69
Sugar—Eastern	498 (1)(d) of Cr. Code	Atlantic Sugar Refineries Limited... Canada and Dominion Sugar Company Limited St. Lawrence Sugar Refineries Limited	March 18, 1963 Montreal	Atlantic Sugar Refineries Limited* (Acadia-Atlantic Sugar Company Limited)..... Canada and Dominion Sugar Company Limited..... St. Lawrence Sugar Refineries Limited.....	25,000 25,000 25,000	75,000 Prohibition Order granted, one paragraph of which is under appeal.	26,008.20

*Teh name of the Company was changed by Supplementary Letters Patent dated May 31, 1962, to Acadia-Atlantic Sugar Company Limited.

Case	Prosecution under section	2* Companies and individuals charged	Date of judgment	3* Companies and individuals found guilty	Penalties imposed	4 Costs of Case
					$	$
Belts.....	411 (1)(d) of Cr. Code	Belt Manufacturers Association of Montreal	Sept. 16, 1963 Montreal	Belt Manufacturers Association of Montreal.....	300 Prohibition Order granted	5,223.88
Surgical Supplies	34 (2)(b) of C. I. Act	Cooper Campbell.....	May 25, 1964 Toronto	Cooper Campbell.....	300	11,484.08
Sewers and Water Mains—Tenders	32 (1)(c) of C. I. Act	Civil Construction Inc..... Carrière Beaudry Ltée Lagacé Construction Ltd. Spino Construction Co. Ltd. Louisbourg Construction Ltd.	Nov. 27, 1964 Montreal	Civil Construction Inc..... Carrière Beaudry Ltée..... Lagacé Construction Ltd..... Spino Construction Co. Ltd..... Louisbourg Construction Ltd.....	1,000 500 500 500 500 3,000 Prohibition Orders granted	4,890.41
Paperboard Shipping Containers	498 (1) (d) of Cr. Code	St. Lawrence Corporation Limited The Corrugated Paper Box Company, Limited Hinde and Dauch Limited Hinde and Dauch Boxes Limited Acme Paper Products Company Limited Bathurst Power & Paper Company Limited Bathurst Containers Limited Bathurst Containers (Maritimes) Limited Canadian Wireboard Boxes & Shipping Containers Limited Kraft Containers Limited Maritime Paper Products Limited Crown Zellerbach Canada Limited Canadian Boxes Limited Gair Company Canada Limited Hendershot Paper Products Limited Hygrade Containers Limited Martin Paper Products Holdings Limited Sherbrook Paper Products Limited Standard Paper Box Manufacturing Limited Superior Box Company Limited	On March 1, 1965 seventeen accused Companies pleaded guilty, and the trial of the remaining three Companies began. The trial was completed on May 27, 1965. judgment being reserved. Sentencing of the Companies pleading guilty has been deferred until after judgment is handed down in the trial of the three companies.	St. Lawrence Corporation Limited..... The Corrugated Paper Box Company, Limited Hinde and Dauch Limited Hinde and Dauch Boxes Limited Acme Paper Products Company Limited Bathurst Power and Paper Company Limited Bathurst Containers Limited Bathurst Containers (Maritimes) Limited Canadian Wirebound Boxes & Shipping Containers Limited Kraft Containers Limited Maritime Paper Products Limited Gair Company Canada Limited Hendershot Paper Products Limited Hygrade Containers Limited Martin Paper Products Holdings Limited Standard Paper Box Manufacturing Limited Superior Box Company Limited		97,042.46

Milk—Ottawa..	33A (1) (c) of C. I. Act	The Producers Dairy Limited	March 4, 1966 Ottawa	Acquittal Under appeal.....			9,231.98
Electric Appliances	34 (2)(b) of C. I. Act	Sunbeam Corporation (Canada) Limited	March 18, 1966 Toronto	Sunbeam Corporation (Canada) Limited..... (2 charges)	2,000 Prohibition Order granted (also under appeal)		14,407.74
			Convictions and Acquittals under appeal.				
Lead Pencils....	32 (1)(c) of C. I. Act	Eagle Pencil Company of Canada Limited Venus Pencil Company Ltd. Dixon Pencil Company Limited Eberhard Faber (Canada) Ltd.	March 28, 1966 Toronto	Eagle Pencil Company of Canada Limited..... Venus Pencil Company Ltd..... Dixon Pencil Company Limited..... Eberhard Faber (Canada) Ltd.....	8,000 4,000 2,000 2,000	16,000	14,959.66
					Prohibition Order granted		
Road Surfacing Materials	32 (1)(c) of C. I. Act	K. J. Beamish Construction Co. Limited Bray Construction Co. Limited Bruell Paving Limited Cornell Construction Company Limited Grey-Wellington Paving Co. Limited** H. J. McFarland Construction Company Limited Miller Paving Limited Municipal Spraying and Oiling Company Limited Riverside Construction Co. Limited W. A. Ryder Paving Limited W. S. Fullerton Construction Company Limited Woollatt Construction Limited	(Trial commenced on May 2, 1966) Toronto				9,873.83
Razors—Electric	34 (2)(a) of C. I. Act	Philips Electronics Industries Ltd...	Trial pending Montreal	.....			12,570.11
	34 (2)(a) of C. I. Act	Philips Industries Limited					
	34 (2)(a) and 34 (3)(a)(i) of C. I. Act	Philips Appliances Ltd.					
	34 (2)(a) of C. I. Act	Philips Appliances Ltd..... Philips Electronics Industries Ltd.	Toronto				

**Charge dismissed.

Case	Prosecution under section	2* Companies and individuals charged	Date of judgment	3* Companies and individuals found guilty	Penalties imposed	4 Costs of Case
					$	$
Oranges—Mandarin	32 (1)(c) of C. I. Act	Leslie F. Burrows, Secretary-Treasurer, Canadian Fruit Wholsalers Association Birks Crawford Limited (Birks-Crawford Limited) Kelly, Douglas & Company, Limited W. H. Malkin Ltd. Slade & Stewart Ltd. David McNair & Company Limited Chess Brs., Limited Consolidated Fruit Company Limited Dominion Fruit Limited Macdonalds Consolidated Limited Canada Safeway Limited	On April 29, 1966 all accused were for trial to commence Oct. 3, 1966			51,212.35
Transportation or Supply of Sand and Gravel—Brantford	32 (1)(c) of C. I. Act	Horace Frend alias James Hamiln... David G. Faith George Brennan Cecil Shaver John McMillan Earl Maguire Brant County Dump Truck Owners and Operators Association	Trial pending			4,174.07
Greeting Cards	34 (2)(a) 34 (3)(b)(i) 33B (2) of C. I. Act	William E. Coutts Company Limited	Trial pending			4,916.21

[*English*]

PENALTY FOR CRUELTY TO ANIMALS

Question No. 1,469—**Mr. Scott (Danforth):**

1. Has the government received representations from the Ontario Humane Society for an amendment to the criminal code to give power to magistrates to prohibit persons convicted of cruelty to or neglect of animals from owning or possessing animals as part of the sentence?

2. If so, how many such requests have been received, and what has been the nature of the government's response to such requests?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Justice and the Prime Minister's office as follows:

1. Yes.

2. Requests were received from 23 societies and branches, and from 305 individuals. They were informed that the Minister of Justice appreciated having received their views and that they will be carefully considered.

VETERANS IN THE PUBLIC SERVICE OR WORKIN FOR CROWN CORPORATIONS

Question No. 1,530—**Mr. LeBlanc (Rimouski):**

1. How many veterans in the Canadian public service are affected by the terms of article 17 (2) of the Canadian Forces Superannuation Act (7-8 Elizabeth II, ch. 21)?

2. Are veterans working for crown corporations affected by the terms of the aforementioned article 17 (2)?

Hon. Léo-Alphonse Cadieux (Associate Minister of National Defence): 1. 1,141.

2. Employment in a large number of crown corporations has been deemed to be employment in the public service of Canada and schedule "A" of the Public Service Superannuation Act contains a list of these corporations. Therefore, only those employed by these crown corporations are affected by article 17(2) of the CFSA and 3(11) DSPCA.

LESLIE FROST—AIR CANADA DIRECTOR

Question No. 1,571—**Mr. Caouette:**

1. Was Mr. Leslie Frost on the board of directors of Air Canada on October 1, 1965?

2. Is Mr. Leslie Frost still on this board of directors?

3. Did Mr. Frost make any political speeches or conduct any political activities while he was director of a crown agency?

4. Has Air Canada a policy concerning political activity conducted by its officials and, if so, what is that policy?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

1. Yes.

2. Yes.

3. It is not within the knowledge of the company.

4. Members of the board of directors of Air Canada with the exception of the president, are not officers of the company. Air Canada's policy with respect to participation in political activity by all persons on its payroll is set forth in a Management Guide recognizing the merit of wide participation by all citizens in political affairs but requiring that they obtain leave of absence from the company to do so.

VALCARTIER—INQUIRY CONCERNING FACTORY OF CANADIAN ARSENALS LTD.

Question No. 1,601—**Mr. Caouette:**

1. Has the St. Lawrence Manufacturing Company made a bid to buy the Valcartier factory of Canadian Arsenals Limited and, if so, what is that bid?

2. What was the cost of the said factory at the time of construction?

3. Does Canadian Arsenals Limited intend selling all its factories and, if so, for what reasons?

4. Must decision by Canadian Arsenals Limited in this regard be approved by the responsible minister or by the governor in council and, if so, for what reason?

5. Has the government recommended the sale of any Canadian Arsenals Limited factories?

Hon. C. M. Drury (Minister of Industry): 1. St. Lawrence Manufacturing Inc. and General Investment Corporation of Quebec have jointly made a proposal to purchase the Val Rose Plant of Canadian Arsenals Limited located near Valcartier, Que. The amount of the bid was $3,150,000.

2. The cumulative original cost of land, buildings and equipment since construction of the plant began in 1936 is $21,906,000.

3. No. However, some plants were offered for sale and sold because there existed no further requirement for their facilities. Where a requirement for limited defence use of the facilities exists, plants have been offered for sale to private interests to allow higher utilization of the overall manufacturing capabilities through the introduction of commercial production lines while retaining the essential military function for which they were designed.

Questions

4. Decisions regarding disposal of capital assets, including lands and buildings, follow recommendation from the responsible Minister and approval by Governor in Council. Canadian Arsenals Limited are custodian only of such assets which are the responsibility of the Department of Defence Production.

5. Yes. In the last two years, the government has recommended the sale of the Explosives Division of Valleyfield, Que., the Palace Hill Plant in Quebec city, and the Val Rose Plant near Valcartier, Que.

INCENTIVES ACT PROJECTS, MANITOBA

Question No. 1,608—**Mr. Stefanson:**

1. Have any projects been approved in the province of Manitoba under the Area Development Incentives Act and, if so, how many and in what areas are they located?

2. Have any manufacturing or processing projects been approved and, if so, what type and what is the estimated capital cost and the estimated development grants for these projects?

3. Are any of these projects now in production and, if so, how many?

Hon. C. M. Drury (Minister of Industry): 1 and 2. Only projects involving the establishment or expansion of manufacturing or processing industries in designated areas can be considered for benefits under the Area Development Incentives Act or section 71A of the Income Tax Act. Firms have notified the area development agency of their intentions to proceed with 12 projects in Manitoba, involving a total investment of $24,807,000, in such a manner as to qualify for the benefits of the area development program. As of May 31, 1966, eight firms have received letters of assurance advising that if they proceed in accordance with their plans, the projects should qualify for a capital grant or for income tax benefits. Details of the projects are as follows:

Designated area	No. of Projects	Capital investment	Type of Industry	
Brandon	5	$24,235,000	Food	2
			Printing, publishing and allied	1
			Machinery	1
			Chemicals and chemical products	1
Dauphin	3	287,000	Food	3
Total	8	$24,522,000		

Information on the distribution between capital grants and tax benefits is not available pending further advice from industry.

3. Of the eight firms which have received letters of assurance, 4 report that they expect to be in production by the end of June 1966.

SATELLITE TRANSMISSION OF TELEVISION PROGRAMS

Question No. 1,627—**Mr. Korchinski:**

1. Have any feasibility studies been conducted by the C.B.C. into the use of a satellite of the Early Bird variety for transmission of television programs into areas presently not served by any television and, if so, what is their nature?

2. Are there any plans by any agency of the government of Canada for putting a satellite of the Early Bird variety into space for use in communication?

3. Are there any international plans for sending into space any satellite for use in television transmission?

4. Has an estimate been made of the cost of such a satellite and, if so, what is it?

[Mr. Drury.]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Canadian Broadcasting Corporation and the Department of Transport as follows:

1. The Canadian Broadcasting Corporation reports that it is following closely the work being done in the United States by space agency people, the Communications Satellite Corporation, and network broadcasters, concerning potential network distribution satellites with a view to eventually taking advantage of any resulting developments.

2 and 3. The international telecommunications satellite consortium (known as INTELSAT), in which Canada is a partner, owns the Early Bird satellite and has plans for placing in orbit several additional communication satellites employing increasingly sophisticated designs. All of these satellites

are or will be, capable of being used for relaying television signals, as well as other forms of telecommunications, on overseas routes, but to do so they must operate in conjunction with complex ground stations. These satellites are not intended for distributing television signals within countries. With respect to the possibility of using satellites for this latter purpose, studies are under way in the United States and Canada to determine the feasibility of using more complex satellites for relaying television signals from a limited number of program origination points to a large number of broadcasting stations and using for this purpose ground stations of lower cost and complexity.

4. The cost of placing a satellite in orbit might be $10,000,000, however this cost alone is not too meaningful. It is necessary in making cost comparisons with other forms of telecommunication, to also include the cost of the ground stations as well as to take into account the rather short satellite life. It is too early to estimate what these overall system costs would be, however, there are indications that they may ultimately be lower than the cost of an equivalent land based microwave service.

POST OFFICE CONSTRUCTION, MALAGASH, N.S.

Question No. 1,636—**Mr. Coates:**

1. Is it the intention of the government to construct a post office at Malagash, Nova Scotia and, if so, when?

2. Have any investigations been carried out by officials of the government toward securing a site for a post office at Malagash, Nova Scotia?

Hon. G. J. McIlraith (Minister of Public Works): 1. A post office building was completed on June 15, 1966.

2. The site was acquired in 1965.

CONTRACT FOR LOBSTER RESEARCH

Question No. 1,646—**Mr. McCleave:**

1. Did the Department of Fisheries, or any other department or agency of the federal government, recently enter into a one-year contract with a vessel and its Captain, Louis Lourmais of France, to carry out research into lobsters and, if so, what are the terms of remuneration to Captain Lourmais?

2. Were tenders called for the above-mentioned contract, and (a) if so, how many responses were there, and by whom (b) if not, what was the reason?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes. To conduct diving operations for purpose of (a) underwater explorations involving observations of the operation of fishing equipment and gear and of marine life; (b) collecting living samples of marine life; (c) carrying out underwater photography; (d) undertaking underwater repair and maintenance of gear and equipment; and (e) such other activities as the minister considers worth while.

For above services, including use of the diving tender *St. Brandon* and supporting crew of not less than three professional divers for a term of 11 months, an amount of $88,000.

2. (a) No. (b) Captain Lourmais was selected for this work because of his broad experience and international reputation in underwater exploration, photography, etc.

DAMAGE CLAIMS, TRANS-CANADA HIGHWAY, N.B.

Question No. 1,649—**Mr. Flemming:**

1. Regarding claims for damages to property acquired, including moving same when considered necessary, on the trans-Canada highway between Andover, New Brunswick, and the Quebec boundary, what are the details of (a) ownership of property (b) remuneration claimed for damages or moving (c) remuneration allowed for damages and moving (d) cost of moving, if any?

2. Was appraisal of value, and moving expense examined by a duly authorized official of the government of Canada before being approved and paid?

3. Are any claims still unsettled and, if so, what are the details and value of same?

Hon. G. J. McIlraith (Minister of Public Works): 1. (a) No information of this kind appears in our files because the acquisition of property is the responsibility of the province and the cost is not shared by Canada. (b), (c) and (d) Canada shares in the cost of moving buildings from the highway right of way in accordance with the provisions of the trans-Canada highway agreement, including the reinstatement of facilities which existed at the original site. Canada also shares in expenditures necessarily incurred by the owner or person in possession of a building for the moving of effects and equipment and for board and lodging during the moving of his building.

2. The value of property being purchased by the province is not assessed by an official of the government of Canada. The moving expense is examined by a duly authorized official of the government of Canada before the extent of federal participation is approved.

3. It is a responsibility of the province to deal with claims by property owners; consequently, this department is not aware of the status of any such claims.

C.B.C. PROGRAM "THE PUBLIC EYE"

Question No. 1,650—**Mr. McCleave:**

1. Did the C.B.C. program "The Public Eye", presented on Tuesday, June 7, mention any of the positive accomplishments of the immediate past or present federal governments?

2. If so, which ones?

3. What was the theme of the program?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. No. The program was not intended as an over-all examination of what governments or parliaments have done.

2. N/A.

3. The theme of the program was an examination of the underlying causes and events which some observers believe have embittered party and person relationships in parliament over the past ten years.

STUDY OF UNDERGROUND WATER RESOURCES

Question No. 1,655—**Mr. Coates:**

Have any steps been taken by the government to determine the extent of Canada's underground water resources and, if so (a) what are they (b) in what provinces have studies been initiated (c) how long will it be before the reports will be available on these studies?

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Yes. (a) Active evaluation of Canada's groundwater resources has been carried out by the Geological Survey of Canada since the 1930's. In the past few years some provinces have established agencies to evaluate and control their groundwater resources. Many of these provincial investigations are supported by grants from ARDA. The work of the water research branch in these provinces is becoming more concerned with the development of new techniques of groundwater exploration, rather than the actual evaluation of groundwater resources, which is being undertaken by the provincial agencies. (b) Groundwater investigations of various types have been made in parts of all provinces and territories, with the exception of Newfoundland. At present investigations are being conducted by the water research branch in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island. A national observation well network is being established to determine the amount of groundwater in storage across Canada. (c) Reports published by the geological survey are available for many of these investigations; others are in the form of non-published internal reports.

IMPROVEMENT OF HARBOUR AT POINTE-AU-PÈRE

Question No. 1,665—**Mr. LeBlanc (Rimouski):**

Was a decision made by the government between 1955 and 1959 to improve the harbour facilities in Pointe-au-Père in the constituency of Rimouski and, if so (a) in what year (b) what was the estimated cost of the planned work at the time (c) how much was spent thereafter in order to bring the harbour to its present state?

Hon. G. J. McIlraith (Minister of Public Works): Yes, (a) 1958; (b) $3,152,000; (c) $4,125,000.

AIR CANADA SERVICE TO REGINA, SASK.

Question No. 1,670—**Mr. More:**

1. Does Air Canada plan to service the city of Regina with DC-9's in the near future?

2. If so, what is the target date for the commencement of this service?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows:

1. Yes.

2. Planned introductory date, May 1, 1967.

WINTER HOME CONSTRUCTION BONUS, MANITOBA

Question No. 1,694—**Mr. Stefanson:**

1. How many applications were received in the province of Manitoba for the $500 bonus under the winter home construction incentive program?

2. How many qualified for the bonus?

3. How many qualified in (a) Metropolitan Winnipeg (b) Brandon (c) Selkirk (d) Gimli (e) Stonewall (f) Arborg (g) Riverton (h) Teulon?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour):

	1963-64	1964-65	1965-66
1. Applications received	1469	1719	1593
Less non starts	78	12	54
	1391	1707	1539
2. Applications qualified for bonus	1264	1450	1419
3. (a)	870	1085	1109
(b)	49	60	64
(c)	12	23	10
(d)	1	4	4
(e)	no applications received	3	no applications received
(f)	1	no applications received	1
(g)	no applications received	no applications received	no applications received
(h)	1	1	no applications received

INQUIRY CONCERNING HARBOUR AT RIMOUSKI EAST

Question No. 1,714—**Mr. LeBlanc (Rimouski):**

1. How many times has the harbour of Rimouski-East been dredged since 1930?

2. In what years has it been dredged?

3. How much did each dredging cost?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. 20 times.

2. and 3.

Year	Cost
1930	$ 45,000
1930	13,500
1932	15,500
1933	26,000
1934	600
1935	33,000
1937	25,000
1938	174,000
1938	11,500
1940	20,000
1942	3,000
1943	19,000
1944	3,500
1946	27,000
1949	6,000
1951	72,000
1952-3-4	369,000
1955	47,000
1957-58	388,000
1961	64,000

[*English*]

FISHERIES OFFICERS, N.S. COUNTIES

Question No. 1,717—**Mr. Crouse:**

1. How many fishing guardians or preventative officers were employed by the Department of Fisheries in Lunenburg county during the past lobster season?

2. How many similar officers were employed in Queens county?

Hon. H. J. Robichaud (Minister of Fisheries):

1. 15.

2. 12.

UNEMPLOYMENT BENEFITS TO CANADIAN WORKERS IN U.S.

Question No. 1,732—**Mr. Dionne:**

Have representatives of the Canadian government taken any further steps in order to arrive at an agreement with American authorities so that Canadian workers in the United States, especially in the states of Maine and New Hampshire, may be eligible for unemployment benefits?

Hon. J. R. Nicholson (Minister of Labour): Representatives of the government of Canada have made repeated efforts to arrive at such an agreement, especially with respect to Canadian workers employed in the states of Maine and New Hampshire. At the time of the most recent discussions those states made it clear that they were not willing to make such an agreement and this was reported to this house at the time. In view of the clearly expressed views of the two states mentioned, no further steps have been taken in this matter.

Inquiries of the Ministry

THE MINISTRY

REPORTED DIFFERENCES RESPECTING INTEREST RATES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Over the week end a number of articles have been published by members of the press who are usually close to the government to the effect that a great battle has been fought between members of the cabinet and members of the shadow cabinet—the hon. member for Davenport (Mr. Gordon) and the former secretary of state (Mr. Lamontagne)—on the question of interest rates under the Bank Act. Is the Prime Minister now in a position to say which of the groups has triumphed, the cabinet or the shadow cabinet?

Right Hon. L. B. Pearson (Prime Minister): It is not my practice nor would it be constitutionally proper for me to comment on sham battles in this house.

Mr. Diefenbaker: Does the Prime Minister designate the activities of the former minister of justice and the former secretary of state as sham battles?

[*Later:*]

Mr. Diefenbaker: I do not often rise to correct myself, Mr. Speaker, but when I mentioned the shadow cabinet a while ago and was wondering which was going to dominate, the shadow cabinet or the cabinet, I referred to the former minister of justice and the former secretary of state. It was the former minister of finance to whom I had reference, and I apologize for making that mistake.

BUSINESS OF THE HOUSE

LEGISLATION TO BE DEALT WITH BEFORE SUMMER RECESS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): On Wednesday last the right hon. Prime Minister indicated that early this week he would tell the house what legislation the government intended to have dealt with prior to the adjournment of the house for a summer recess. I wonder whether he is now in a position to give the house that information.

Right Hon. L. B. Pearson (Prime Minister): It is our intention, Mr. Speaker, as was indicated last Thursday night, to proceed with the matters outlined by the house leader at that time and to complete these items so we can submit them to the Senate for consideration before going on to consideration of other items on the order paper. Indeed, they are on the order paper now and we hope to be in a position to proceed with them at that time.

Mr. Douglas: On June 6 the house leader indicated that among the items the government intended to have dealt with prior to recess was the medicare bill. I wish to ask the Prime Minister whether he can assure the house that the medicare bill will be considered and dealt with prior to the recess.

Mr. Pearson: I think it will be possible to introduce the medicare bill immediately or shortly after consideration of the items mentioned by the house leader last Thursday night.

Hon. George Hees (Northumberland): I have a supplementary question, Mr. Speaker. Can the Prime Minister indicate when revisions to the Bank Act will be brought before the house?

Mr. Pearson: It depends to a great extent on the progress made in the list of items I have just mentioned.

Mr. Hees: I have a further supplementary question, Mr. Speaker. Will the Prime Minister assure the house that the Bank Act will be brought before the house and considered before the recess?

Mr. Pearson: We do not intend to remove any items from the order paper.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): This is a supplementary question, Mr. Speaker. I will ask the Minister of Finance whether he can give a report to the house on who is winning the battle of the Bank Act, himself or the "gold dust twins".

[*Translation*]

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he tell us if Canada intends to take steps to have Communist China recognized by the United Nations at the next session of that organization?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): This is a very far reaching question indeed which, as I have already indicated more than once, is actively engaging our attention.

CANADIAN PACIFIC RAILWAY

HEARING OF APPEALS RESPECTING PASSENGER SERVICE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to address my question to the Minister of Transport and ask him when the governor in council will be dealing with the appeals respecting the C.P.R. passenger train service known as The Dominion.

Hon. J. W. Pickersgill (Minister of Transport): As soon as possible, sir.

Mr. Olson: Can the minister define for us "as soon as possible"?

TRADE

WHEAT—FURTHER INQUIRIES RESPECTING SALE TO RUSSIA

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I wish to address my question to the Minister of Finance. The Minister of Trade and Commerce, in an earlier statement concerning the protocol signed with Russia, indicated that shipments of grain will go through both the east and west coast ports. However, in reply to a question put to him on June 20 the Minister of Finance stated that shipments will also be made through Churchill. Will these be token or substantial shipments, or would the minister like to correct this statement.

Hon. Mitchell Sharp (Minister of Finance): I have no reason to correct my statement. In the contract signed by the wheat board and the Soviet union, provision is made for shipments through Churchill if that is the wish of the U.S.S.R.

While I am on my feet let me answer a question which was put to me last week by the hon. member for Medicine Hat with respect to the flour content in the contract between the U.S.S.R. and the wheat board. It provides for the shipment of 900,000 long tons of flour during the three year period, which is the equivalent of 45 million bushels of wheat. In the first year the contract calls for 300,000 long tons of flour, which is equivalent to about 15 million bushels of wheat.

Mr. Korchinski: I have a supplementary question. Mr. Speaker, may I put the following question to the minister in view of the imminent recess of the house and since my question No. 587 has been on the order paper for almost five months. Can the minister indicate how much grain it is intended will be shipped through Churchill this year?

Mr. Sharp: Provision is made in the contract for shipment through Churchill, but that will depend upon the circumstances at the time and the wishes of the buyers. When we sell wheat we try to sell it to the best advantage, and we find it a very good rule to consult the buyers on their choice of ports. Generally speaking we try to sell them what they want at the places where they would like to receive it.

Mr. Eldon M. Woolliams (Bow River): I have a supplementary question, Mr. Speaker, and I wish to direct it to the Minister of Trade and Commerce. Was a request made by his government through him during the discussions in Moscow to extend the former contracts for shipments of wheat to Russia, in view of the statement made by the Minister of Finance and by Mr. McNamara, head of the wheat board that irreparable damage has been done to the contracts? Was there a request to extend the contracts?

Hon. Robert Winters (Minister of Trade and Commerce): I am not sure I understood the full meaning of the hon. member's question. I think I had better take it as notice.

Mr. Woolliams: Maybe I could be a little briefer. Was there a discussion concerning the extension of former contracts for the delivery of grain—not the contracts which have been recently signed but former ones—because of the delay in delivery due to recent strikes?

Mr. Winters: The matter never came up for discussion, because I do not think any such question arises.

Mr. Woolliams: Then may I put a question to the Minister of Finance. In view of the statement by the Minister of Trade and Commerce and in view of the minister's statement that irreparable damage had been done by the strike, can the minister tell us what is the situation?

Mr. Speaker: Order, please. The hon. member's questions sound like a cross examination. I suggest that his question is not acceptable.

Mr. Sharp: On a point of privilege, Mr. Speaker. I think the hon. member's uncorrected statement could do damage to our

commercial interests. I have never made any such statement as attributed to me by the hon. member, and I deny it.

Mr. H. A. Olson (Medicine Hat): This is a supplementary question which I wish to address to the Minister of Finance. I also wish to thank him for the information he has just given us respecting the flour content in the wheat contract. Can he tell the house whether some of this flour will be shipped out of west coast ports?

Mr. Sharp: I do not know the answer to that question.

MAINLAND CHINA—DUMPING DUTIES ON IMPORTS UNDER QUOTA

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I should like to direct a question to the Minister of Finance. Are imports coming into Canada under an agreed quota subject to dumping duties?

Mr. Speaker: Order, please. I do not believe that question is acceptable. The hon. member seems to be asking a question of a very general nature and is perhaps asking for a legal interpretation. Certainly, the way he has phrased the question now, I do not see how it can be asked.

Mr. Mandziuk: May I be more specific. Are dumping duties charged against imports coming in under quota from mainland China, our good wheat customer? I think the Minister of National Revenue or the Minister of Finance is capable of answering that question.

Mr. Speaker: Perhaps the question may be a little more clear now but I still feel that it cannot be asked at this time.

[*Later:*]

Mr. Mandziuk: Mr. Speaker, my question deals with a subject previously raised. I was in the right church but in the wrong pew. Rephrasing a question I asked previously, may I ask the Minister of National Revenue whether he would not give consideration to removing dumping duties on goods coming into Canada from mainland China under a certain quota? I have in mind such items as cloth, suiting, or what have you.

Mr. Speaker: Order, please. I think this is a question of general policy, and I doubt whether it should be asked.

Mr. Mandziuk: With all due deference, Mr. Speaker, this is a question of policy. I should like to know about the matter, because I think it is very important. Would the minister not be prepared to answer in view of the fact that we shall be closing shop very soon?

Mr. Speaker: The minister does not appear very anxious.

Mr. Mandziuk: All he has to do is answer yes or no.

OLD AGE SECURITY

INCREASED PENSION ANNOUNCED BY P.E.I. PREMIER

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has he given any consideration, following the example of the premier of Prince Edward Island, to relenting somewhat in regard to his position on old age security pensions?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the position taken by the premier of Prince Edward Island is made possible or will be made possible through the provisions of the Canada Assistance Plan.

PUBLIC SERVICE

NATIONAL EMPLOYMENT SERVICE—PROTESTS RESPECTING RECLASSIFICATION OF POSITIONS

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 manpower having to do with appointments and classifications in the civil service which are causing disruption. With regard to the reclassification of officers of the National Employment Service, would the minister be prepared to make a statement with particular reference to the fact that a situation has been produced whereby employees who have been in the service for years have been informed they do not qualify for new classifications and are required to carry on in the same status as newcomers, who are qualified, but at lower salaries and without the prospect of increases? In other words, they have been placed in a frozen salary bracket. Would the minister explain this?

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, a job evaluation within the National Employment

Service which began before last January 1 was undertaken under the jurisdiction of the Civil Service Commission. It was a complete evaluation which covered over 2,500 employees.

According to the reports which I have received so far, I am willing to admit that some mistakes were made and that it will undoubtedly be necessary to correct several evaluations. It is impossible to undertake such a re-evaluation without allowing at the same time a margin of error. When it is completed, a mechanism is then set up which will make it possible to correct the few errors which might have been made during the operation.

[*English*]

Mr. Diefenbaker: In view of the fact that 700 employees of the N.E.S., one in four, have failed to qualify under the new standards established for the service, would the minister not agree that such a situation is unjust and unfair?

Mr. Speaker: Order, please. The question is argumentative.

Mr. Diefenbaker: I rise on a point of order, Mr. Speaker. My hon. friends opposite apparently do not like any questions asked about the civil service. I am trying to find out what this government is going to do to remove the feeling of uncertainty that exists today. I submit that this is a matter of grave importance. If Your Honour rules that it is not and that the question should go on the order paper, then I suggest to you, sir, that you look at the order paper to see how the government delays answering some of these questions.

Mr. Speaker: I was not suggesting there was no urgency in the matter, because obviously there is. The first question was in order but I was under the impression I ruled that the second question was argumentative in nature.

COMMITTEE CONSIDERATION OF PENSIONS OF RETIRED EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Revenue. It is supplementary to one I put to him on Friday, June 17, when he said he would have no objection to giving to the joint committee on the public service a term of reference under which that committee could discuss the pensions of civil servants already retired. May I ask him if he would be willing now to discuss with representatives of each of the parties the possible wording of such a term of reference, so this matter might be settled at an early date.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, as soon as the joint committee has dealt with the rather tremendous task it has in front of it, namely the consideration of the bills to implement collective bargaining in the civil service, I would be pleased to discuss such a resolution with representative members of the parties opposite as well as with my cabinet colleagues, whose approval I must obtain before putting such a resolution on the order paper.

Mr. Knowles: May I ask a supplementary question. Even though we accept the fact that this matter cannot be dealt with in the committee until consideration of the bills has been concluded, would the minister not consider discussing the term of reference before that time comes?

Mr. Benson: I am willing to discuss anything at any time, but I am not willing to make any promises.

INQUIRY AS TO SALARY ADJUSTMENTS FOR ADMINISTRATIVE CLASSES

On the orders of the day:

Mr. Paul Tardif (Russell): Mr. Speaker, my question is directed to the Minister of National Revenue. Can the minister tell the house when the announcement of the adjustment of the salaries for class B employees can be expected?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, as I indicated to the house last week, the Civil Service Commission has been pressing forward with this particular matter, and consultations are taking place this week with the civil service associations with respect to administrative support categories in group B. I suggest that by the end of this week or the beginning of next week I will have an announcement with respect to the administrative support categories included in this group, and the commission will push forward with all possible haste in dealing with the administrative groups of the category.

Inquiries of the Ministry

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question? When the minister makes that announcement, will it include a statement with respect to persons who have been red circled, bearing in mind the Prime Minister's assurance that any injustice would be removed?

Mr. Benson: I would not like to forecast what I am going to say in the announcement before I make it.

INDUSTRY

POSSIBLE AGREEMENT WITH U.S. RESPECTING AUTOMOBILE TIRES

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I ask the Minister of Industry if the government is contemplating a free trade agreement with the United States in respect of the manufacture and sale of automobile tires?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we are exploring, of course, every possible avenue in respect of all possible industries for increasing and promoting trade in both directions.

Mr. Hales: May I ask a supplementary question. Will the minister give the house an opportunity to debate such an agreement?

Mr. Drury: I think that is a hypothetical question, Mr. Speaker.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, may I ask the Prime Minister if he can tell the house whether he has had any communication with Mr. Justice Spence, as to whether we can expect his report at an early date?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. It is not customary to get in touch with royal commissioners in respect of reports which they are preparing.

[*Later:*]

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the right hon. Prime Minister. Has the Prime Minister inquired of Mr. Justice Spence when his report will be available or is the story correct that the right hon. gentleman does not want the report until after the house recesses?

Mr. Pearson: No, sir.

Mr. Speaker: Order, please. Well, the question has been answered.

DIVORCE

REQUEST THAT RECENT BRIEFS BE PROVIDED TO COMMITTEE

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is addressed to the Prime Minister, and concerns the assistance the right hon. gentleman can give to members of this house. Would the Prime Minister have his staff turn over to the special committee on divorce any public briefs or portions thereof presented to the government in recent years on the subject of divorce reform?

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

FISHERIES

BRITISH COLUMBIA—DAMAGE TO SALMON SPAWNING GROUNDS BY LOG RUN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I could direct a question to the Minister of Fisheries. Can the minister give the house any report about the proposal to drive logs on certain salmon spawning streams such as the Owikeno river? I spoke to the minister earlier today about this matter.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, this morning I received a telegram, signed by representatives of a number of organizations, protesting against the driving or towing of logs on the Whannock river. I replied that since facilities for loading and unloading logs had not yet been completed in relation to an access road, I would allow the towing to take place, provided the water gauge read 11 feet, but that it had to be completed by June 30. Since sending that telegram and before coming to the house I received another telegram advising me that the water level on the Whannock river was down to 8½ feet. Under such conditions no towing would be allowed.

Mr. Howard: A supplementary question, Mr. Speaker. Does the minister anticipate any objection or reprisal from the provincial government concerned as was the case with respect to the Stellako river?

Mr. Robichaud: That was not the same.

Mr. Howard: A further supplementary question, Mr. Speaker. Could I ask the minister what were the results of the court hearing in Vancouver with respect to the Stellako river?

Mr. Robichaud: I heard this morning that the hearing which was supposed to take place on Friday had been postponed a second time at the request of the Attorney General of British Columbia.

UNEMPLOYMENT INSURANCE

REPORTED INTENTION TO CLOSE OFFICES IN WESTERN CANADA

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): My question is directed to the Minister of Labour, Mr. Speaker. Would he verify reports that some 40 Unemployment Insurance Commission offices are to be closed this summer in the four western provinces?

Hon. J. R. Nicholson (Minister of Labour): I cannot give the exact number, Mr. Speaker, but several offices are being closed later this year. I am glad the question has been asked because it will be recalled that until a very few months ago the work of the National Employment Service was carried on by the Unemployment Insurance Commission. Since a division of responsibility and a reallocation of work has taken place, it is not unreasonable to assume that a number of U.I.C. offices might be closed.

Mr. H. Russell MacEwan (Pictou): A supplementary question, Mr. Speaker. Could the minister verify whether in a large number of offices in the Atlantic area claims will be required to be filed by mail rather than people being allowed to file them in the offices where assistance, if necessary, would be available to them?

Mr. Nicholson: Yes, Mr. Speaker, This part of the work has been going on now for the past several months very successfully. It will continue.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, my question to the Minister of Labour is supplementary to the one asked a few moments ago by the hon. member for Okanagan-Revelstoke. Has the minister or his department given any consideration to hearing the opinions, briefs or comments of the communities involved as to the need for the services of unemployment insurance offices during the summer months in those cities and towns where it is intended to withdraw such offices?

Mr. Nicholson: Actually, Mr. Speaker, the Unemployment Insurance Commission is an independent body which is given certain responsibilities by statute. The minister is its spolesman in parliament. The commission, which is an autonomous body, has been considering the matter raised by the hon. member for the past several months and has taken soundings across the country. It has made some decisions. I am sure if there are special circumstances in any particular community, the commission would be willing to reconsider its decision on the fact, in the light of those circumstances.

Mr. Olson: A supplementary question, Mr. Speaker. Inasmuch as the Minister of Labour is the minister responsible to parliament for the Unemployment Insurance Commission would he not ask the commission to take into consideration the feelings and opinions of the people involved in those communities where the offices are to be closed?

Mr. Nicholson: Mr. Speaker, some weeks ago letters went out over my signature to members of parliament for ridings affected by this decision of the Unemployment Insurance Commission. I have received few if any suggestions with respect to changes, but I am quite sure that the representations of any hon. member who may have received such a letter will be considered by the commission.

LABOUR CONDITIONS

REFUSAL OF B.C. LONGSHOREMEN TO WORK ON VICTORIA DAY

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, my question is addressed to the Minister of Labour. I understood the minister to say last week that he would look into the situation with respect to ten officials of the longshoremen's union in Vancouver and New Westminster who were sentenced to jail terms following their refusal to order their members back to work. Has the minister had time to look into that situation and, if so, can he say something about it?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I hesitate to correct a statement by a fellow member, but the premise of the hon. member's question is wrong. The learned judge who heard the application directed payment of fines with the alternative of a jail term in each case. My information is that the

record shows that the judge not only gave the persons involved the option of paying fines but he also offered to allow time for the ten persons involved to do so if they so wished. That is the position.

With regard to the other part of the question, the officials of my department have looked at the reasons for judgment and the judge's recommendation over the week end and are in touch with the Department of Justice regarding the matter. The Prime Minister or I will have something more to say on the subject within the next day or two.

NATIONAL GALLERY

REPORTED STATEMENT BY SECRETARY OF STATE RESPECTING PICTURE PURCHASE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, my question is directed to the Prime Minister and is prompted by a remark the Secretary of State made yesterday afternoon on a national television program. In view of the minister's statement that she hated to have the purchase of a $6 million picture equated with old age pension payments and in view of the minister's indication that the cost per person in Canada to purchase the picture would be only 36 cents, is it the intention of the government to include in the estimate for the cost of this $6 million purchase the old age pensioners of this country?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I heard that statement on television and I did not draw that conclusion from it at all.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. Would the Prime Minister indicate in what way the conclusion I have drawn is wrong?

Mr. Pearson: Mr. Speaker, I would say it was very wrong.

Mr. MacInnis (Cape Breton South): A further supplementary question, Mr. Speaker. Am I to take from the Prime Minister's remarks that the old age pensioners are not included and that my interpretation of the minister's statement is wrong? Will not the government give consideration to the old age pensioners rather than purchasing a $6 million painting?

Mr. Pearson: Mr. Speaker, I will get the text of the statement from the C.B.C., and I shall be delighted to send it to my hon. friend.

[Mr. Nicholson.]

SHIPPING

ST. LAWRENCE RIVER—REQUEST FOR REPORT ON SAFETY CONFERENCE

On the orders of the day:

Mr. Frank Howard (Skeena): My question is directed to the Minister of Transport. May I ask the minister whether he will be making an announcement to the house shortly regarding the results of the recent conference in Montreal respecting safety on the St. Lawrence river and manning requirements for ships?

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

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I have a question for the Prime Minister. In view of the drastic effect the lengthy shipping strike in Great Britain is having on commonwealth trade, would the Prime Minister consider offering his good offices to the leader of the Labour party in Great Britain, who is also prime minister of that country, to help settle this shipping strike?

Some hon. Members: Oh, oh.

Mr. Speaker: This question should be placed on the order paper.

Right Hon. L. B. Pearson (Prime Minister): I will send my hon. friend there.

ATLANTIC DEVELOPMENT BOARD ACT

INCREASE IN FUNDS AVAILABLE, EXTENSION OF AUTHORITY, ETC.

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

That it is expedient to introduce a measure to amend the Atlantic Development Board Act to increase the aggregate of the amounts that the Minister of Finance may credit to the Atlantic development fund from one hundred million dollars to one hundred and fifty million dollars, to extend the authority of the Atlantic Development Board to undertake projects alone or jointly with provinces or agencies thereof or other persons and to provide that any revenues received by the board from projects undertaken or financed by it may be credited to the said fund and expended for the purposes for which the Fund is established.

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

Mr. Pickersgill: Mr. Chairman, I am not sure whether the committee feels it would be

more convenient to accept the resolution almost without discussion and have the debate in a more formal way on the bill or whether hon. members would desire me to indicate at this stage what the bill is about and have some discussion at this stage in the hope that the second reading stage would be largely a formality.

There are no new principles at all involved in this bill, with one possible exception. I do not know whether one would call it a principle. In the view of the lawyers it was, because it turned out when we got a legal opinion about the present act that it was not possible for the board to do something which we thought the board had the power to do under the legislation as amended in 1963. It was the opinion of the board and it was my opinion as minister, an uninstructed opinion as it turned out, that the board had the power to make expenditures for projects and then either to keep the ownership of those projects or turn them over to some other agency of the federal government. We found out that owing to the peculiar way in which not so much this act but the Public Works Act was phrased, this was not possible in the opinion of the legal advisers of the government.

The act as it now stands envisages grants being made and the crown cannot make a grant to itself. This has not caused any great embarrassment so far, though it has given rise to some minor embarrassments. However, there are some projects in contemplation where it may be desirable to have a project carried out while reserving the title to the government of Canada. It would not be my intention nor my desire to see a project remain with the Atlantic Development Board as long as we could find some appropriate agency to take it over once completed. I think all hon. members would agree that it should not be necessary to turn these works over to a provincial government or a municipality if they come within a field which is more appropriately federal, and we ought to correct this defect. This is the only thing which might, by any stretch of the imagination, be called a new principle.

One effect would be that where certain works undertaken to promote industrial expansion could result in an annual revenue, this revenue could be collected in an appropriate way. This might be the only way of proceeding without giving an unfair competitive advantage to some new industry as compared with an industry already in existence. It will be provided in the bill that in such cases, and they may be rare, any revenues would go back to the fund and be available for further use. This seems a sensible, businesslike arrangement.

The main objective of the proposed bill is to accomplish what the Prime Minister had in mind in October of last year when the question of the probability of the $100 million fund being exhausted fairly soon was raised, that is, to replenish the fund. I should perhaps say a word about the exhaustion of the fund. I do not want hon. members from any other part of Canada to feel that the board has been lavish or extravagant or imprudent or wasteful in the use of this money. I know that members from the Atlantic provinces will not feel so. The $100 million is far from being spent. But most of it has been committed, in some cases to projects which will take a number of years. The board cannot continue the kind of activity in which it has been engaged unless it has more funds to commit, and what we are doing is to replenish the commitment power by $50 million.

Hon. members may ask: Why $50 million? Why not $100 million? Well, there is a feeling that we ought periodically to have an opportunity in this house to review the activities of the board and the state of the fund which does not come under annual review in the same way as the other estimates. We do not want to make commitments which go too far ahead without members of parliament from all parts of Canada having a chance to consider what is being accomplished.

I have made a very serious endeavour as, I think, did the hon. member for Victoria-Carleton, who had the responsibility for the Atlantic Development Board in the beginning, to keep as far away as I can from being a politician. Let me add that I have no apologies for being a politician or acting like one or trying to act like one, and I do not think the hon. member for Victoria-Carleton has, either, but the success of the board depends on dealing with two governments which are of the same political persuasion as ourselves and two which are not, and as far as we can we have tried to keep this activity above party politics and to treat all four provinces alike. I believe we have had a great measure of success in doing so and I am hopeful things will continue that way.

In this context I should like to say that the hon. member for Kings—I see him in his place today—was a member of the Atlantic Development Board before he was elected to

parliament. He was appointed by the government of which the hon. member for Victoria-Carleton was a member. His place on the board was continued by legislation at the request of the present government, and I may say he was a most valued member of that board during the time he served on it. I am sure he would echo the view which I am expressing now, that we have tried to think only of one thing, the development of the economy of the Atlantic provinces.

• (3:50 p.m.)

I am very proud of what has already been accomplished. I feel sure, if we continue along the lines we have followed up until now, that all of us in parliament, regardless of what part of Canada we may come from or what political parties we may belong to, will feel that this is a work for which parliament is responsible, that it is helping to build up Canada and helping to create a better balance for a region which for many reasons did not advance as rapidly economically as other parts of Canada. I believe this legislation will give a real stimulus to the region.

Mr. Flemming: Mr. Chairman, my remarks will be brief at this stage. We appreciate the information which the minister has given us in connection with the general aims and objectives of the legislation to follow passage of this resolution. I believe my hon. friend from Kings wishes to make some comments about the resolution. I have no reason to think that they will be extended and I feel certain we can make good progress with the measure because we are almost completely unanimous as to the benefits which will be derived from it.

I feel that the minister's remarks concerning the advisability on occasion of having the federal government undertake certain projects are well-founded. There is no doubt that there are times when for one reason or another, and I do not think it necessary to elaborate, it becomes necessary for the federal government to undertake certain projects through an agency in which it has confidence, and if this amending legislation fills some of the omissions in the original statute no one in the chamber could have any objection to it.

In connection with the Atlantic Development Board I wish to emphasize the question of the initiation of projects. I do not believe that the initiation of projects should always rest with a provincial government or a municipality, but naturally the board, in keeping with the general terms of reference given to it, will work through the medium of the provincial governments to the greatest possible extent, with the general interest in mind of fulfilling a long-felt need in that part of Canada from which the minister and I come.

As I have indicated, my hon. friend from Kings will have some remarks to make. He will bring much knowledge to the committee of the problems that have beset the board, he himself having served on it. No doubt what he has to say will be of great benefit to the Atlantic provinces region and to the activities of the board.

Mr. Brewin: Mr. Chairman, we in this party are also not disposed to prolong discussion of the resolution. As the minister has told us it contains nothing very new or revolutionary in principle. It simply embodies the extension of legislation of which all parties in the house approved. But since the minister appealed to members who are not resident in the Atlantic provinces to try to become aware of some of the questions and problems besetting that region, I with to say that we in the New Democratic Party are heartily in favour of the Atlantic Development Board because it is an instrument of regional planning.

We believe in regional planning as a vital policy to reduce the inequities and inequalities in income and other standards as between different regions of Canada. We are aware of the chronic absence of equality of opportunity in certain areas. In this connection I would like to refer once again to the 1965 annual report of the Economic Council of Canada. I quoted from it the other day when the hon. member for Queens introduced a resolution dealing with the trade problems of the Atlantic provinces, and I wish to place this on the record again:

> Our analysis has shown that over a period of almost four decades embracing buoyant expansion, a severe depression, a prolonged war and a period of revived national growth, the regional problem in Canada has remained essentially unchanged. Large inter-regional disparities in per capita income have stubbornly persisted despite various forces working towards better balance. These have included significant redistribution of population, far reaching adjustments in the structure of economic activity at the national level, and certain public policies aimed at greater equalization of regional incomes. Against such a background, the narrowing of income disparities and the achievement of this result consistently with other basic economic and social objectives, remains one of the most difficult issues confronting the country as a whole.

All of us should be aware of these matters. I think we must adopt a strategy of what I call redistributive investment. Without some control over the direction of investment and without some planning these disparities will continue to exist.

In this connection, and not because we think the additional $50 million proposed in the resolution is too much but because we feel it may turn out to be inadequate, I want to call the attention of the committee to a few figures covering private and public investment taken from joint publication of the Department of Trade and Commerce and the Dominion Bureau of Statistics. These figures show total private and public investment in the Atlantic region as a percentage of the average per capita investment in the rest of Canada.

In 1961 investment in the Atlantic region at the per capita rate was 72.5 per cent of the national average, in 1962 78 per cent, in 1963 72 per cent, in 1964 70.8 per cent, in 1965, 73.1 per cent, with the estimated figure for 1966 being 75 per cent. The actual figures per capita for those years were as follows: In 1961 the average for all of Canada was $448 per capita and in the Atlantic provinces $325. In 1962 the national average was $469 compared with $366 in the Atlantic region; in 1963 the national average was $497 and in the Atlantic region $358. The figures for 1964 were $569 and $403, in 1965 $654 and $478, and in 1966 the estimated figures are $730 for Canada as a whole and $547 in the Atlantic provinces.

• (4:00 p.m.)

There is another figure which I think is very significant and to which I should like to direct the attention of hon. members. I refer to the amount of investment which would be needed in the Atlantic provinces to bring their average up to the average of the rest of Canada. In 1961 the figure would have been $233 million; in 1962, $199 million; in 1963, $271 million; in 1964, $327 million; in 1965, $350 million and in 1966, $365 million. Even taking average figures we have continuing throughout the years a level of investment in which there is a considerable gap between the Atlantic provinces and what would be the average for the rest of Canada. The national average of course includes the Atlantic provinces and therefore the comparative figures I have given do not give a fair comparison between these provinces and others. Nevertheless, the gap rises from approximately $200 million a year to $365 million.

One will say that the $50 million which is asked to be added to the capital of the Atlantic Development Board is but a trifle compared with the regular short-fall, if I may put it that way, of investment. I am informed that just the other day the Voluntary Economic Planning Board—hon. members will know that this is a voluntary board set up by the province of Nova Scotia—met at Truro and in an attempt to estimate the degree of productivity of industry and labour in that province said that it was roughly 75 per cent of the rest of Canada. I am not suggesting one can draw a direct statistical analogy between that figure which after all is only an estimate and the figure of the percentage of actual investment in the region, but I think it is very striking that the figure is roughly 75 per cent of the rest of Canada. I think it is obvious that if we mean business about ironing out these disparities we will have to raise investment in the order at least of the existing disparities in investment in this region.

I am well aware that this will not all be done by public investment. I am aware that the Atlantic Development Board and the federal government are only one instrument in this respect. Many other policies have to be co-ordinated to deal with this problem, but it seems to me that sooner or later in this house we must face the fact that the Atlantic Development Board is charged not only with making investments most of which, as I understand it, hitherto have come in the field of such fairly obvious things as power and transportation, which are fairly obvious needs in what is called the infrastructure.

I think the Atlantic Development Board has done wisely in putting into this field most of the $100 million which has been made available to the board. There is, however, another aspect, namely, a study of what is necessary to promote economic growth. This will require a partnership between public and private investment. If we in this house from all parts of Canada really believe in a redistributive policy or a national policy for the growth of Canada as a whole, we will have to recognize that we will have to assist in investment to a degree which makes the amount set out in the present resolution relatively small and certainly an amount which no one in Canada should begrudge at all.

I think the minister explained that the bill will include the right of direct investment. I certainly am happy to agree with this because it gives a greater freedom in certain circumstances. We in this party take seriously a national policy in respect of the redistributive development of Canada and the ironing out of the inequalities which have persisted in the past. Naturally we will support the resolution.

[*Translation*]

Mr. Gauthier: Mr. Chairman, just a few words. First of all I wish to congratulate the minister for introducing that resolution.

The minister was hoping a little earlier that the debate on the resolution would not go on forever. That is exactly what I always hoped, for every resolution, because with only what is said in the resolution, we do not have enough information to discuss it and decide if we are for or against it.

The minister said earlier that $50 million for the Atlantic Development Board probably was not much. I was a little surprised to hear him say: it is not that the board has run out of money but to increase the funds at its disposal to fulfill a promise made to the board. I was wondering if it was only to fulfil an election promise or to strengthen that fund in order to do something for the economy of the Atlantic provinces.

If it is for the second reason, I am all in favour of strengthening the economy of the Atlantic provinces and trying to increase their standard of living.

Therefore, I feel that the introduction of the bill is our best opportunity to study the work done by those boards. As far as my province is concerned, I found out to my great surprise, when studying the operations of those boards, that most of the funds were spent on unnecessary studies when it would have been so easy to concretize wonderful projects if the money had been saved for that purpose.

I think that it is what you are doing in the Atlantic provinces; namely concretizing projects which are already under way; that is why I am in favour of that resolution. When the bill is submitted to the house, we will have the opportunity to see what was done with the money already spent—over 50 per cent of it has undoubtedly been spent—since we are asked for another $50 million.

We are anxious to see what was done, what the government or the board has accomplished; then we will be able to appreciate what is being accomplished in the Atlantic provinces.

We are also in favour of helping the provinces because we want to help our people. It is very commendable to help foreign countries but I still prefer to see a few millions spent in the provinces to help them also. It is good to hear when travelling outside Canada that our country is wealthy, and that from countries which receive gifts from Canada. I can assure you that the Atlantic provinces, when they get that money, that help from the federal government to strengthen their economy will love their country more and will feel even closer ties with the other provinces. It is the same in all the provinces. That is how the work of the federal government in the province of Quebec is considered. When it is time, in the province of Quebec, to have assistance from the federal government—we need it also—we want it proportionately to the population.

The previous speaker said: $50 million may not be much. But we must keep in mind that the population of the Atlantic provinces is less than that of the other provinces, than that of the province of Quebec.

For instance, when taxes are levied, they are first levied in the provinces with a greater manpower; these are the ones which provide funds to the federal government. If we want to redistribute those funds fairly, we must think, first of all of those which paid and then of those which need assistance, without being unfair toward the provinces which supplied the money to these funds.

I think that the minister will be highly considered if such resolutions are introduced in favour of the province of Quebec, because I am sure he is aware of the economic situation of Quebec and knows that it needs federal assistance also. We hope this assistance to other provinces will be given proportionately to the needy population in every province of Canada.

• (4:10 p.m.)

[*English*]

Mr. McQuaid: Mr. Chairman, I rise at this time to support this resolution because I am convinced that the establishment of the Atlantic Development Board in January of 1963 was without doubt one of the most progressive steps that has ever been taken by any government for the benefit of the Atlantic provinces.

The objectives of the board are clearly defined in the act which established it and I should like to quote from subsection 1 of

section 9 of the Atlantic Development Board Act:

> The objects of the board are to inquire into and report to the minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada.

I think the words, "fostering the economic growth and development of the Atlantic region of Canada", should be stressed because our economic growth in the Atlantic area has lagged behind the rest of Canada. In my opinion the reasons for this lag are three and may be classified as follows. First of all, in the Atlantic region there are none of the great factors which ordinarily make for economic growth or if these factors are present they are not present in a sufficient degree to provide a stimulus to our economy. Second, we have no rich natural resources or if we have them they have not yet been sufficiently explored and exploited. I think one of the chief aims of the Atlantic Development Board is to explore and exploit whatever natural resources we do have. The third reason we have lagged behind is our geographic position. We are more or less located on the periphery so far as our markets in Canada are concerned. The high cost of transporting raw materials in and finished products out puts the Atlantic area at a considerable disadvantage. Unfortunately we are shut out of some foreign markets located closer to us because of high tariffs.

I think the chairman of the Economic Council of Canada has set out very clearly the economic position of the Atlantic area and I should like to quote what he said in this regard:

> For at least four decades the residents of this region have had the lowest average incomes in Canada and although they have shared in the general improvement in living standards they have not been able to improve their lagging position relative to other Canadians.

That very clearly sets forth our position in the Atlantic area today and statistics bear out that statement. In the Atlantic area unemployment has been consistently twice as high as in any other part of the country. Even today the unemployment rate, according to the latest figures of the Dominion Bureau of Statistics for the month of May, is still 5.8 per cent whereas in the prairie provinces it is 2.1 per cent. Nowhere else in Canada did the figure for the month of May reach 5.8 per cent.

The average per capita income in the Atlantic area is consistently at least one-third lower than in other provinces. I do not know whether the committee realizes this fact, but in the Atlantic area there are 40,000 male employees earning less than $2,000 per year and over 19,000 female employees earning less than $2,000 per year. In other words, we have a total of almost 60,000 employees who are today earning less than $2,000 per year, and I do not think anybody will deny that in order to maintain an adequate standard of living an individual must earn more than $2,000 a year. The average annual wage of the people working in the Atlantic area is only $2,752 compared with the average annual wage for Canada of $3,679.

The hon. member who preceded me suggested that the money to be provided to the Atlantic Development Board should be divided on a basis related to contribution and that if the Atlantic provinces are not contributing their fair share to the national revenue by way of taxes they should not expect to get as much by way of assistance. In my mind that is a very fallacious argument because we in the Atlantic area are a part of Canada, and if this country is going to have an economy that will flourish it cannot expect to maintain such great inequities between sections of the country. Our growth and economic problems in the Atlantic area must be the concern of every province and must be the concern of the federal government.

As Professor Cairncross said in 1961, "the federal government must be the principal agent of policies to eliminate the lag in the economic development of the Atlantic provinces". If we do not contribute our share, and I am not suggesting we do not, the only reason is that we do not earn enough.

The figures I have quoted I am sure would indicate to hon. members that we in the Atlantic provinces on an average earn only enough to provide essential public services. I am one of the first to admit that we are very dependent upon the central government in Ottawa. In my own province of Prince Edward Island 43 per cent of the general revenue comes from Ottawa. In the province of Nova Scotia 35 per cent of its general revenue comes from the central government in Ottawa and in the province of New Brunswick 35 per cent also comes from Ottawa.

• (4:20 p.m.)

We are not ashamed of this fact because we feel that the reason the central government must contribute to us is that we do not have the opportunity of earning enough so that we can, as we would be glad to do, pay our share in income tax and other taxes to

the federal treasury. In New Brunswick the average per capita tax paid to the federal treasury is $55, in Newfoundland it is $45, in Nova Scotia it is $62 and in Prince Edward Island it is only 36. That will give the committee an idea of how badly we need something down there to boost our economy so our people can earn enough money to make their contribution to the government of Canada. But until that period is reached there has to be a gap filler. There is a gap between what we in the Atlantic area earn and what is earned by people in the other provinces of Canada, and that gap must be closed. I suggest that one of the vehicles designed to close it and, if it is given the chance, one of the vehicles that will close it, is the Atlantic Development Board.

The minister mentioned the fact that the board is set up without relation to political affilation. I can substantiate this, Mr. Chairman. The board is comprised at the present time of good, solid-thinking, hard-headed businessmen who know the problems of the Atlantic area and are doing their best to solve them without receiving any remuneration at all. This is probably one of the few boards operated by the federal government whose members do not receive some daily remuneration for the time they sit.

The members of this board get nothing. They get their travelling expenses, but my experience with the board is that the red pencil is used very generously when it comes to allowing even these travelling expenses. However, this is not the important consideration. The important consideration is that the board is composed of men who know the problems of the Atlantic area and have the interests of the area at heart. Mr. MacKeigan has proved himself to be a very efficient chairman. The staff of the board, headed by Dr. Weeks, is very competent and is doing an extremely good job.

But I would point out, and I am not doing this in a critical way, that in spite of their efforts there has unfortunately been little improvement. Perhaps we have not yet had time to see the improvement. But if we examine the record I think we will see that, despite the good intentions of the government in setting up the board and giving it 100 million to work with, despite the good intentions of the members of the board and the staff, there has as yet been little improvement in so far as the economy of the Atlantic area is concerned. Although the spirit is willing, the results so far have been weak. I hope our development will speed up, because if the speed of Atlantic development continues at its present rate I am afraid that success will be deferred until the days of our grandchildren and great-grandchildren.

I am not satisfied that $50 million is enough at the present time to put into the fund. In April, 1963, $100 million was put into the fund. It is now almost three years later and the minister tells us that the fund is just about exhausted. I suggest that that statement could be verified, because I believe that in April, 1965, 14 months ago, $90 million of the $100 million had been committed. If that is correct, and I believe it is, the board has been working with only $10 million for the last 14 months.

When the fund was set up by the present government is was mentioned consistently on that side of the house that $1 billion over a ten-year period was no more than sufficient to be poured into the Atlantic area to assist its economy. If $1 billion over a ten-year period was necessary, which is $100 million a year, I suggest that the minister should give consideration now to increasing to $100 million the $50 million for which he is asking in this resolution, because I am sure the board will make the very best use of the $100 million.

Of course, and rightly so, expenditures are controlled by Treasury Board. The Atlantic Development Board may recommend the expenditure of $1 million of $2 million for a certain project but—and I repeat, rightly so—that expenditure has to be approved by Treasury Board. If we put another $100 million in the fund now I think it would give the members of the board more incentive to go ahead and plan immediately, as they obviously must do if we are to fill the gap that exists between the economic standards of the Atlantic area and those of the rest of Canada. I make these suggestions in all earnestness, Mr. Chairman, and again would assure the committee that in my opinion at least this board is doing a very excellent job for the Atlantic area. We in the Atlantic region are extremely grateful to the government which set up this board in the first instance and to the government which is now encouraging and promoting it.

Mr. Macquarrie: Mr. Chairman, when a measure like this was before a previous parliament I spoke on all phases of the measure including third reading. This time I will be much less loquacious. I merely want to say—I am glad my colleague from Kings said it in his excellent speech—that while I join with

the sentiments expressed by members from the various parties, I cannot in candour suggest that I feel the $50 million is in any way an adequate amount. We surely have no difficulty in being convinced that the painful economic lag which has characterized the relationship of the Atlantic region to the rest of Canada is becoming more painful, that the gap is not in fact being narrowed. There are many economic indices which make this all too clear. The outstanding documentation of recent months, of course, is the second annual review of the Economic Council of Canada.

In the face of widening disparity and against the background of the expenditure or allocation of the $100 million which was earmarked before, I am unhappy about the designation of an amount of $50 million. I noted carefully what the minister said about the frequent return of this measure to parliament but I cannot believe that now the Atlantic Development Board has been launched on its way, changes have been made in its personnel and experience has been gained by its officers—and I join with my colleague from Kings in saluting its officers because Dr. Weeks and others are most excellent men—and with the background of the board's proven efficiency in the face of the growing need for assistance in the Atlantic area, $50 million is sufficient. I would be much happier had there been allocated the first amount earmarked when the present government took office. We did not fix ceilings on the amount at all in our day.

• (4:30 p.m.)

I think the minister is anxious to have the measure proceed through this stage and we all sympathize with that desire. I should be interested in hearing him illustrate for us a typical project which might, in the words of the resolution, be "undertaken or financed" by the board. I have been trying to think of some projects which might conceivably come under the terminology of the last two and a half lines of the resolution. I must reiterate my belief that $50 million is not sufficient. You cannot redress the economic grievances of generations by $50 million and heaven knows there have been grievances in so far as the Atlantic provinces are concerned. I hope that the minister will not say to me again that my affluence is such that I sneer at $1 million, because I would never join those who say "what's a million?". A million dollars is a good deal of money but it is not so much if used to alleviate great problems and the longstanding inequities of our region. I do wish the amount had been $100 million and I hope that this comparatively small figure will not act as a depressant in our region.

The establishment of the board and various other projects which were undertaken, especiallly in 1957 and 1958, have done a good deal of stimulate that which is essential to our prosperity, namely, vigorous self-activity in the economic field. Fine things have been done by the provincial administrations and the boards they have set up. However, I know they would all agree that the action of the federal government, the body which must be concerned about equalizing the economic opportunities of all regions, has given them a great start. I hope that this diminution of the figure will not depress those who in the region itself are moving forward vigourously in concert toward our continuing progress. As my hon. friend from Kings has said, this requires the sustained effort of all of us at all levels of the government as well as of the private sector of our economy. I wish that the main contributor could have been a little more—I will not use the word beneficent—generous in the amount apportioned to the fund.

Mr. Pickersgill: Mr. Chairman, I think I should say a word or two mainly in response to the hon. member for Queens. In the first place, I am sure that he did not deliberately say there was a diminution because when you add $50 million to $100 million this is not my idea of a diminution. This sum will amount to a 50 per cent increase after three years. I will refrain from any comment about the amount of the increase over the fund at the time when this bill was originally introduced.

Mr. Flemming: There was no limit.

Mr. Pickersgill: There is no limit to zero, as the hon. gentleman so wisely said. However, I do not wish to get into any kind of controversy on this matter. We took the view that there should be a fund and that if it was wisely used we would come back to parliament and ask for a replenishment.

I think hon. members will agree I have taken a very keen interest in the work of the board and I am sure the hon. member for Kings will agree with me when I say that while he was a member of the board no project that was at any time put before the board was turned down because of lack of funds, although a lot of projects did not seem to the board to be wise or expedient for other reasons at the moment they were put before

it. I hope that the $50 million will be committed very quickly. If it is, then, as we have twice shown to the house, we will see that a recommendation is made for a further replenishment.

I was very glad to hear the hon. member for Kings use the phrase "a gap filler" because I think I was the one who first used it. It has been my principle, as the minister responsible, to ensure that the Atlantic Development Board should never be allowed to spend a cent which could be made available from another agency. Mention has been made of $1 billion to be spent over a ten-year period. That was surely never envisaged as the amount to be granted from the Atlantic Development Board but was to include all expenditures such as, for example, the causeway to Prince Edward Island. I might say that another $30 million has already been committed by the Federal government for the development of trunk roads in the Atlantic provinces under the direct supervision of the board but not with the board's funds. That was done since the commitment of the $100 million and before this addition of $50 million.

Even in these days when we are faced with such staggering sums, this amount represents very large expenditures. I cannot entirely agree with the hon. member for Kings that we are not beginning to see some benefit. It is true that some of the projects which have been assisted by grants from the fund are only beginning to come into the stage at which they will appreciably add to the economy of the Atlantic provinces but I am absolutely convinced that as we improve transportation and make power cheaper and more accessible, together with the benefits brought about by the industrial sites that the board have so wisely established in all of the Atlantic provinces, we are going to have great dividends in the next three or four years.

I will resist the temptation to say that we should all take a new look at the whole question of transportation which, although it is a liability in some respects, is rapidly becoming an asset because the whole orientation of the international traffic is beginning to change and, oddly enough, it is the St. Lawrence Seaway which is changing it most through the increasing of trans-shipments which it presents. I predict, with quite a lot of confidence, that the ports of the Atlantic provinces, not just the ports of Halifax and Saint John, will in general see a tremendous development as industrial sites precisely because they will enjoy in this air age and this age of monster ships advantages which they have not had for a long time.

However, all this is a very large subject which is not very directly related to this resolution. Let me conclude by expressing my appreciation to all the hon. members who have spoken for the constructive way in which they have approached this resolution.

Mr. MacLean (Queens): Mr. Chairman, it was not my intention to say anything but having noted that the Minister of Transport did not wish to be controversial I find that if he really wanted his wishes to be realized he could do so by ceasing to delude himself that in some connections he is speaking logically. I am now speaking of his reference to the amount of the fund. It is true that this is a means of financing but it is not realistic for him to say that because in the original act this method was not used the board had zero funds. It that were his logic he would find himself without any department to administer because his own department certainly has no funds. The money has to be voted annually. There is no great impediment to any emanation of the government being operated in the same fashion as the original concept of the Atlantic Development Board.

• (4:40 p.m.)

It could be argued that the present method might be an improvement. I am not going to argue about that, but it is not a case of something wholly good replacing something that was wholly bad or at least completely impotent as the minister, perhaps unintentionally, left the impression. It may be that he used phraseology of the kind he did because it was used so frequently for political purposes on different occasions.

Having said that, I do want to correct one impression that might have been inadvertently left by numerous spokemen for the various parties regarding the unsatisfactory economic situation of the Atlantic provinces compared with the rest of Canada. I am not saying that the Atlantic provinces are not a good area in which to live or that they are not an area in which there are great opportunities for the future. I believe there are.

More important, it is natural to assume that the economic disadvantages of the Atlantic provinces as they now exist are all caused by an act of God and are therefore something over which man has no control. Many of our disadvantages are man-made. We

have suffered under them because we have on many occasions forfeited our own immediate selfish desires for the good of the nation as a whole. Many of the economic difficulties of the maritime provinces compared with the rest of Canada are similar to the economic problems we have as a small nation next to a giant ten times as big as we are. The bigger the economic unit the greater is its attraction for investment capital and for everthing else.

Every year great quantities of money are drawn off from the Atlantic provinces by quite legitimate means by large insurance companies, for example, which have their headquarters in another part of Canada. When it comes to the reinvestment of this money the larger unit in some other part of Canada, which perhaps has even greater natural resources or greater markets, quite often attracts this money.

This is the type of difficulty against which we are struggling. We are on the periphery of the geographically huge nation of which we are proud to be a part. We have continued to be loyal to the concept of a nation from sea to sea because we believe that in the long run it will be of the greatest benefit to all Canadians. However, we would like to share in it as nearly equally as possible. This is a worthy method of bringing about something approaching equality and I support it wholeheartedly. Like my colleague, the hon. member for Queens who has just spoken, I should like to see the ceiling raised another $50 million—a rolling ceiling if that is what you want to call it— so that the fund will not be depressed and so that not only the cumulative total will grow but that the ceiling under which the board will operate will remain at at least $100 million.

Resolution reported and concurred in.

Mr. Pickersgill thereupon moved for leave to introduce Bill No. C-213, to amend the Atlantic Development Board Act.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the second time?

Mr. Pickersgill: Mr. Speaker, I wonder if there might be agreement, if it were convenient and after members have had an opportunity of looking at the bill, to consider second reading later this day or at the next sitting?

Mr. Starr: Provided the bill is distributed some time before that.

Mr. Pickersgill: If there was any objection we would not proceed but we would be in a position to do so if there were agreement.

Some hon. Members: Agreed.

Mr. Pickersgill: The Minister of Finance was asked to leave for a few minutes to meet the parliamentary delegation from the Soviet Union. I have the Canadian National Railway bill relating to two branch lines and if it is agreeable to the house I could proceed with it while we are waiting for the Minister of Finance to return.

Mr. Starr: Agreed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CONSTRUCTION OF BRANCH LINES IN WEST

Hon. J. W. Pickersgill (Minister of Transport) moved the second reading of Bill No. C-210, respecting the construction by Canadian National Railway Company of a line of railway in the province of Manitoba from the vicinity of Stall Lake on the Chisel Lake subdivision of Canadian National Railways in a north-easterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in the The Pas mining district of that province, and of a line of railway in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the said railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina mining district of that province.

He said: Do hon. members want any explanation? I would be happy to give it.

Mr. Knowles: You can give the explanation in committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

Mr. Knowles: Perhaps the minister would now give us the explanation about these two branch lines.

• (4:50 p.m.)

Mr. Pickersgill: Are you calling clause 2, Mr. Chairman?

The Deputy Chairman: Shall clause 2 carry?

Mr. Knowles: Why not call clause 1? It is not the short title.

Canadian National Railways

On clause 1—*Definitions.*

Mr. Pickersgill: Mr. Chairman, the general explanation was given by my hon. friend, the Minister without Portfolio, the other day. At that time he said that either he or I, as circumstances warranted, would fill in the details of these two branch lines that this bill is asking parliament to authorize. I have a fairly succinct summary of the matter in my hand dealing with each of the lines. Perhaps the best way of dealing with this matter is for me simply to read the summary because, being produced by professionals, it is probably in better language than my own would be. With this modest beginning I shall now read.

Mr. Knowles: Are you not a professional?

Mr. Pickersgill: Not a professional railway builder. Perhaps a professional builder—

Mr. Starr: Get on with the reading.

Mr. Diefenbaker: This is not building fences.

Mr. Pickersgill: There was a politician once who described himself as a cabinet builder.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I will start with Saskatchewan, with deference to the Leader of the Opposition. The President of the Canadian National Railway Company has requested authorization for the construction of a branch line in the province of Saskatchewan from the vicinity of Watrous on the Watrous subdivision of the Canadian National Railways in a northeasterly direction for a distance of approximately 18 miles to the site of the shaft and processing plant of Alwinsal Potash of Canada Limited, situated in the mining district of Regina. The proposed branch line would, as I say, begin at or near Watrous at mile 129 and proceed for 18 miles as I have indicated. The estimated cost of construction of the proposed branch line is $100,000 per mile or a total of $1,800,000.

Exploratory drilling on Alwinsal's property since 1958 has established the presence of deposits of potash that will support production for many decades at the designed capacity of the company's plant. Alwinsal is currently in the process of sinking a shaft 18 feet in diameter to a depth of 3,290 feet and constructing a processing plant which will have a productive capacity of about 1 million tons of muriate of potash per year. The company plans to begin production early in 1968 and has asked the Canadian National Railways to be in a position to furnish rail service by that time. Although the plant site is connected to the Canadian Pacific Railway by a short spur, Alwinsal has requested Canadian National Railways to construct a branch line to its property in order that it will have the safeguard of service by two railways and will not be at a transportation disadvantage vis-à-vis its competitors.

If parliamentary authority is granted by about the end of July, 1966, construction could begin this year. That is the reason I have asked my colleagues to agree and why the house leader asked hon. gentlemen opposite to agree to having this measure brought in at this time. Apart from unforeseen events the branch line would be available for traffic early in 1968.

Alwinsal is planning to ship annually about 1 million tons of muriate of potash, which the company expects will be marketed in roughly equal proportions in the Great Lakes and northeastern regions of the United States and in certain Pacific areas of Asia. Movement over Canadian National lines of half of Alwinsal's planned production would generate annual gross revenue for Canadian National Railways of at least $4,500,000.

Subject to authorization by parliament of the proposed branch line, a traffic guarantee agreement has been entered into between Alwinsal Potash Company of Canada Limited and the Canadian National Railway Company. I do not propose to go into details but the agreement does provide for revenues which will make this a very profitable venture for the Canadian National. It is for that reason that this request is being made at this time so far as that branch line is concerned.

The other line is in Manitoba and is to run from the vicinity of Stall Lake on the Chisel Lake subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to Osborne Lake and to the Hudson Bay Mining and Smelting Company mine. The estimated cost of construction of the proposed branch line is $133,333 per mile or a total of $1,600,000. During the past few years diamond drilling and development by Hudson Bay Mining and Smelting Company showed that there were substantial reserves of copper and zinc in the area which at the end of 1965 were shown to exist to a depth of 2,200 feet.

There are many other details of these resources which I could go into if the committee wishes. The indications are similar to

those in the other case, namely, that there would be a guarantee of traffic for a long enough period of years to make this also a profitable venture which would contribute to the revenues of the Canadian National in a significant fashion and which would therefore be a profitable venture.

Mr. Knowles: Mr. Chairman, when the minister referred to the line in Saskatchewan he gave exact figures of revenues anticipated per year. Does he not propose doing that in this case?

Mr. Pickersgill: I was just coming to that point. Perhaps I could give first the time required for the construction of the line. It could be ready by December 31 if there is authorization by the end of July. The annual movement from the Hudson Bay Mining and Smelting plant at a minimum would be 270,000 tons of crude ore. Movement of this crude ore would generate revenues for the Canadian National of $737,000 per year. As I have said, because of the traffic guarantee which will become operative if parliament approves this legislation there would be a very substantial advantage to the company.

Mr. Diefenbaker: Mr. Chairman, this is one occasion in which the opposition can join in giving complete support to the propositions advanced by the Minister of Transport. The particular area where the projected 18 miles of rail line is to be constructed in the province of Saskatchewan is well known to me. It is an area which a few years ago was not regarded as hopefully from the point of view of development as some other parts of the province.

It has been found during the last two or three years that in various parts of Saskatchewan the actual hidden wealth in potash is even beyond the greatest scope of imagination. I well recall as a boy on the prairies that in the area in which we lived there were what were called alkali lakes. This alkali produced nothing. The areas that have alkali characteristics were believed to be devoid of any development potential. Certainly agricultural production could never take place where alkali was shown to exist.

• (5:00 p.m.)

There was an area in Muskakee next to Watrous where for a number of years an eastern manufacturer from Kitchener produced certain minerals. Other than that, there was nothing expected or anticipated in this area and others where alkali was to be found in the sloughs. Today the province of Saskatchewan is rapidly approaching a development which will bring to that province a production equal to wheat production in the years ahead, a production beyond anything that could have been expected. Railroad lines of this kind will receive the fullest support from Her Majesty's opposition.

In saying this I want to point out too that the projected line in the province of Manitoba goes into an area which will pay dividends not only in economic development but also by assuring a fair return on the money invested. We gave leadership in this connection. We were criticized very strongly when we made available to the C.N.R. the necessary guarantee of parliament prior to the building of the Pine Point Railway. I do not intend to deal with this at the moment except to say that it was criticized and ridiculed as part of what was known as my vision for development.

That vision has been proven to be well-founded. Indeed, I hope that not only will assistance be given to the C.N.R. to build railway spurs or lines of the kind in question but that the government will also give favourable consideration to an expansion of the northern roads plan which has gone into cold storage under this administration. The northern roads plan opened up areas of the provinces which would otherwise have remained undeveloped. In the Yukon and the Northwest Territories the northern roads plan made possible mineral developments which would otherwise have been postponed.

The Minister of Northern Affairs and National Resources was not here during the days when some of those who sit opposite ridiculed the whole idea. But he has become a convert and, having become a convert, he has gone forth and actually secured support among those ministers who a few short years ago in opposition regarded the whole proposition as an ephemeral dream. We welcome the conversion. We support the fruit of that conversion.

Mr. Laing: Our conversion is from walking to running.

Mr. Diefenbaker: I did not hear that remark.

Mr. Starr: He says he has been converted from running to walking.

Some hon. Members: Oh, oh.

Mr. Pickersgill: A misinterpretation.

Mr. Diefenbaker: It must have been a difficult task for him, bearing in mind the indifferent material with which he had to operate, to bring about the conversion of many ministers who had earlier ridiculed the whole idea.

Today the hon. member for Davenport and the hon. member for Outremont-Saint-Jean are also engaged in a program of conversion. I noticed today that the Minister of Finance has begun to show signs that his malleability has been dented. When crusaders like those two hon. gentlemen, the former minister of finance and the former secretary of state, go to work on behalf of great principles and the abiding things in which they believe, there is always hope. I look forward to finding, when the banking legislation comes before the house, that the immovability of the Minister of Finance will prove to have been merely the stand of one who, to adopt the Prime Minister's exression, has been fighting a sham battle against the certainty and thoughtfulness of two hon. gentlemen who, come what may, like Roderick Dhu, stand firm upon this rock.

Mr. Pickersgill: Would the right hon. gentleman permit a question?

Mr. Diefenbaker: Yes, surely.

Mr. Pickersgill: Is the right hon. gentleman saying that our two colleagues are visionaries in the same sense as he is?

Mr. Diefenbaker: If they have achieved the objective of their vision as successfully as we did, we know now what will be in the Bank Act. In other words, this has been an amazing transition. I can just see St. Paul looking down from above on the Minister of Finance and saying: Up to the present my conversion has been regarded as the greatest change of opinion of all time but now I must give first place to the Minister of Finance.

I say this, Mr. Chairman, as an example of what can be achieved. I was very surprised to hear the Prime Minister today refer to the stand of those who have stood so firmly and who have been supported so generally by the Minister of Finance as a sham fight. One wonders who is conducting the sham. But the Prime Minister did not complete his answer today. I use this simply as an example of what is happening.

Having stood so firmly when in opposition against the type of expenditure which would open these areas for mineral development, the Minister of Transport now becomes a proponent of action about which he expressed grave doubts when we were in office. I only hope this will be a prelude to his introducing a national transportation policy. I believe he is giving a great deal of thought to this subject. I am told his hours are now spent in contemplation of legislation designed to bring about a national transportation policy and I wish him all good fortune in that direction. I hope that the fight he is now waging on that behalf will not be described by the Prime Minister a year or two from now as having been a sham fight.

Mr. Knowles: In the first part of his speech, before the Leader of the Opposition got shunted off onto a branch line—

An hon. Member: Off the rails.

Mr. Starr: He threw the switch himself.

• (5:10 p.m.)

Mr. Knowles: —he spoke as a member from Saskatchewan. He did so, noting that one of the branch lines we are being asked to approve takes into account the developments occurring in Saskatchewan, particularly with respect to potash. Perhaps I might be given a moment or two, as a member from Manitoba, to welcome the branch line being approved for my province and in doing so to follow suit to the Leader of the Opposition, but not too far. I am not going to get into the theological discussion he indulged in but I do wish to say that the branch line in Manitoba draws attention to the tremendous mineral developments taking place in the northern half of my province.

For many decades Manitoba's north was looked upon as a huge area supposedly desolate and waste, but now tremendous discoveries are being made of copper, zinc, nickel, gold and other metals. This is good for Manitoba and good for Canada. If, like the Leader of the Opposition, I felt like wandering off onto a branch line or two, I could argue about the methods being used to develop this mineral wealth, whether it should primarily be for the benefit of certain private corporations or for the benefit of the people of Manitoba, but that question is being fought in Manitoba at the present time.

When I first saw that the minister was going to move second reading of this bill today I wondered if it had any political purpose. Then I realized it could not possibly have any such purpose because the Manitoba line does not go into the Churchill constituency, where one more seat has yet to be decided in the provincial election, and even if it did

go in there the Liberals do not have a candidate in that constituency.

Mr. Pickersgill: You needn't rub that in.

Mr. Knowles: The minister does not like me to remind him that his party's candidate did not file his papers, or forgot to be there. At any rate, for once the Minister of Transport is as pure as driven snow.

Mr. Diefenbaker: Why do you say for once?

Mr. Knowles: Seriously, I am glad to have this opportunity to draw attention to the tremendous resources of wealth in northern Manitoba and to express our support for the bill.

Mr. Cantelon: Mr. Chairman, as a Saskatchewan member I would like to contribute to this debate. In the first part of his speech the Leader of the Opposition clearly delineated the advantages that this branch line will bring to Saskatchewan, and of course I agree with him. But the construction of this branch line will give the railway system itself a great advantage that should be brought to the attention of the minister and everyone else. The $4½ million yearly revenue that the railway will get will certainly help to change the profit picture of the C.N.R., but I did not hear the minister say whether the contract was for a specified time. Perhaps I missed that part of his speech.

I would like to point out that at present there is much talk about the construction of pipe lines to transport solids such as potash and sulphur. This scares me. It frightens me because such a development could practically ruin the advantage which the railways presently enjoy in Saskatchewan.

If such pipe lines are constructed the advantages which the railways are obtaining will be lost and they will be left in a most invidious position because of the extra expense they are being put to in undertaking the construction of these branch lines. Therefore I suggest that the government give the closest possible scrutiny to all suggestions concerning the construction of pipe lines in that area.

I may say I find this rather foreign to my own attitude toward scientific research. I am very much in favour of scientific research in every respect, but if pipe lines are put into operation the potash will be moved to the Chicago area, and once it starts going there in quantity the tremendous chemical products development which can clearly be foreseen in Saskatchewan will be lost to the province. I would just like to give that word of warning.

Mr. Pickersgill: Mr. Chairman, I should like to assure the hon. gentleman that the contract is for 15 years, long enough to obviate the contingency he has suggested because it is a firm contract with a company that has a proven mine.

Mr. Howe (Wellington-Huron): Mr. Chairman, it would appear that there is unanimity about this bill. One thing it pinpoints is the importance of the railroads in transporting bulk material. This is something we must think about when considering railway line abandonment.

Further, in view of the remarks made by the hon. member for Kindersley I should like to point out that we seem to be adopting a new principle so far as railway bills are concerned. If I remember correctly, most bills of this type are sent to a standing committee where all those who wish can interrogate the minister and his officials and those promoting the railway line have an opportunity to give all the necessary information in connection with it. At committee hearings provincial governments can also make representations and so can competing railroads. I hope this practice will not be adopted with respect to all other bills of this type.

Mr. Pickersgill: I am very glad that the hon. gentleman made his intervention because what he said is very wise. Twice this session this procedure has been adopted because of the pressure of other business and because of the urgency of getting certain projects under way about which there seemed to be almost complete unanimity. But I can assure the hon. member I would not think of doing this in the case of a project about which there was controversy. Any such case should go to the standing committee and be thoroughly examined there. I speak for the government in saying that this is our view. It is only in exceptional circumstances, when a case seems so clearcut, that we would think of not referring such a bill to a committee.

Mr. Howe (Wellington-Huron): Did the minister intimate that the C.P.R. already has a branch line running into this particular area?

Mr. Pickersgill: Yes, that was indicated, and the mining company has agreed to divide its business 50-50 between them.

Mr. Knowles: That is just in the Saskatchewan case.

Mr. Pickersgill: Yes, the C.P.R. is not in northern Manitoba at all.

Clause agreed to

Clauses 2 to 9 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time?

Mr. Knowles: By leave, now.

Mr. Pickersgill: Perhaps, Mr. Speaker, I might be allowed to express my appreciation to the house for its co-operation in this matter.

Mr. Pickersgill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (5:20 p.m.)

FINANCE

PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have read the speech of the Minister of Finance (Mr. Sharp) at the resolution stage of this bill and I must confess I do not find any very compelling argument in it to support the policy the government is pursuing beyond the argument perhaps that they have succumbed again to having their arms twisted by powerful provincial governments. So far as I know, in my own province of British Columbia there is only one sizeable privately owned electric power installation, the West Kootenay Light and Power Company. It is a subsidiary of the Consolidated Mining and Smelting Company which in turn is a subsidiary of the Canadian Pacific Railway Company, not an organization which one would have thought would require any particular financial help at this stage in the game.

Gas is another question and I think it is the reason this whole thing is so serious. I do not think there is much doubt that those provinces which have not yet advanced so far in the field of public ownership and operation of electrical power generation and utilization, having regard to other provinces in Canada, will eventually follow suit with the other provinces and that therefore the question of the application of this act to electric power companies probably will become an academic one. But it is not academic in the case of gas producing industries, virtually all of which I believe are still under private ownership.

After almost 20 years in which the rebate has stood at 50 per cent—it was brought about, as the minister pointed out the other day, as part of the dominion-provincial tax rental agreements and was opposed, I may say, by many in the provincial legislatures at that time—I am at a loss to understand why it now is being increased to 95 per cent. According to the minister, the argument that was put up to the federal government by the provincial governments was that private enterprise was being left at a disadvantage vis-à-vis public enterprise. I should like to point out to you, sir, as I said, that I think in all the provinces all the way from my province to the province of Quebec the generation and distribution of electric power is in public hands and therefore the question of private enterprise being placed at a disadvantage is largely academic. On the other hand, gas companies almost all are privately owned, with unfortunately very little public ownership in that field.

The suggestion which apparently was made by some of the provincial governments that this worked a hardship not only on the privately owned utilities themselves but also on their customers would have more force if there was some provision in this legislation to make sure that the customers would benefit. It would appear that the federal government is going to remit this money to the provincial governments and that is all, and we do not know what will happen to it after that. The provincial governments may remit it in whole or in part to those particular companies whose taxes have been remitted. It may perhaps take some measure to see that the customers benefit from this but there is no provision for that in this particular measure.

Without being unduly cynical I would suggest it is rather a broken reed to lean on if we imagine the provincial governments will have very much concern about the welfare of the customers. I have in mind again my own

province where the provincial government now has control of a vast majority of the generation and distribution of electric power. We have had innumerable promises from the provincial government that the rates would be lowered. They were lowered by a very small amount a year or two ago but nothing commensurate with the savings the provincial government had made by the elimination of the corporation income tax in the operation of these concerns. I would suspect this will happen again.

While the present situation in the electric power industry means that this bill will have very little significance with regard to transfer of funds from federal to provincial hands, nevertheless with regard to gas it probably will be quite significant. Even more important than that, however, is that it seems to me it is setting a rather dangerous precedent. If we are to make this rebate on behalf of gas and electric power, why do we stop there? What is to prevent us continuing the process into other fields which also rely on the use of natural resources? I have in mind my own province of British Columbia where our largest industry is totally dependent on a natural resource. I am speaking of the forest products industry with its related industries of pulp and paper, lumber and plywood. If the provinces are to receive a rebate on behalf of the electric and gas companies, what is to prevent them being granted a rebate on what the lumber companies have paid? Perhaps they should have a portion of that.

It seems to me that in this way we will continue the process of erosion of federal control over the economy which has been a feature in Ottawa in the last several years, a dangerous trend which will lead to still more trouble in the future than in the past, particularly when we take into consideration that these companies have had and are still enjoying tax concessions. As the minister pointed out, some 2 per cent less than the general rate of corporation income tax now is imposed on these companies. They have had that advantage and now the provincial governments are to get a further advantage.

I would feel happier about this if I had some confidence that the people who are customers of these companies were going to receive some benefit from it, but I really cannot see any hope, even in this legislation, that that will be the case. It seems to me purely and simply to be another concession to the powerful provincial governments and another erosion of federal power for which we will pay a heavy price in the future and for which the Minister of Finance will pay a heavy price because his problems will be made more difficult. He has selected this one particular type of business and said that we will give it special treatment. Why do we not deal with the pulp and paper, aluminum and other industries in the same way?

Another point I should like to stress is that I do not think anybody today would argue with the fact that it has been considered by a growing number of people to be in the public interest that public utilities engaged in the distribution of electric power and gas should be in public hands. I doubt that any government in Canada would suggest putting the clock back.

• (5:30 p.m.)

I cannot conceive, for instance, of a government of Ontario deciding to abolish Ontario Hydro and I cannot conceive of a government of British Columbia putting the clock back and returning electric power generation and distribution to private hands.

Public ownership of utilities is obviously a trend that is being followed in this country. Why introduce legislation that will put the brakes on progress in that direction and a brake also on any attempt to follow a safe course with regard to another utility which is going to become of greater importance to the country and which involves the distribution of gas throughout Canada? Obviously this is a field in which public ownership is the inevitable end in view if we are going to have some concern for the consumer and some concern for the health of our economy which depends to such a large extent upon the distribution of power in its various forms.

I should like to register my very strong opposition to this bill. I hope that the Minister of Finance will perhaps experience another conversion such as suggested by the Leader of the Official Opposition (Mr. Diefenbaker) and that I may convert him to the point of view that it is in the public interest that public ownership of utilities be encouraged and not discouraged as this legislation proposes to do.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I only wish to say a few words on second reading of Bill No. C-211 to tell the minister that we are in favour of it because, under this legislation, part of the income tax payable by certain public utility companies

and which normally belongs to the provinces will be turned over to them. I heard the previous speaker refer to provincial governments which have nationalized electricity; he said that, as a result, electricity was cheaper. Well we have positive proof to the contrary.

In the province of Quebec—and I believe the saying that to administer a state enterprise always costs twice as much as to administer a private enterprise is true—since electricity was nationalized, apart from the loss of revenue from all taxes yielded by power companies, in some areas, electricity is much more expensive than when it belonged to private companies.

After experiencing nationalization—Quebec will probably not retrace its steps—we are convinced that it will always be more expensive, and cost twice as much, to administer a state-controlled enterprise.

As for the transfer of taxes mentioned in this bill, the field involved is not very extensive; mention is made of electrical energy, gas and steam. The province of Quebec is only concerned with gas. We would have been much more interested in the transfer of the paper companies' income tax, for instance, or of the taxes collected from the numerous mining companies operating in the province of Quebec. The ideal—and the minister would have been much commended for it—would have been a bill designed to turn over to the province of Quebec 100 per cent of the taxes collected during all those taxation months.

We were generous enough 20 years ago to surrender those rights to the federal government and we are looking forward to the day when the federal government will consider the advisability and the need to hand over what it borrowed 20 years ago—those taxation rights in fields belonging to the provinces. The effect would be, first of all, to remove the double taxation now existing in Quebec; to eliminate also duplicate administration, because the federal government is taxing in a provincial area, collecting money to pay over to the provinces later on, as if the provinces did not know enough to tax themselves.

Under this bill, the minister undertakes to hand over to the provinces a part, a small part of the tax to which they are rightfully entitled under the constitution. We ask that a bill be introduced to return all their rights to the provinces. Let the federal government act with logic and loyalty. The provinces only loaned those tax fields with the definite intention of recovering them immediately after the war.

The provinces have kept their word but the federal government took the opportunity to defraud the provinces, to keep what had been a temporary loan and which has never been returned since.

Once and for all, let the decision be taken and I assure you, Mr. Speaker, that many disputes and clashes would be eliminated in the province of Quebec if it were possible to return the three fields of taxation which the province of Quebec is asking for, which it has loaned 20 years ago and has been asking back for 20 years in order to manage its own business and stop begging from the federal government. Furthermore, it is no longer justified since the federal government is collecting the provinces own taxes only to pay back a third or 40 per cent. Naturally, we are for the bill, even though it is only a fraction of what the province of Quebec is laying claim to. I hope that shortly the Minister of Finance will introduce the bill we are all looking forward to, all of us citizens of Quebec, and every French Canadian in that province will not only feel grateful, but will deem the minister to be a great man.

[*English*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have no intention of continuing the discussion at any length but I should like to indicate my full agreement with the remarks just made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). Like him, I think this is a thoroughly bad piece of legislation in principle and, as he pointed out, in my view it has consequences which could serioulsy affect the proper functioning of the national economy and the proper exercise of its management, which in our view should be in the hands of the Minister of Finance for Canada. Under those circumstances this house should reject this legislation out of hand in order to indicate to the minister, the government, and some interests in the country who I believe have been promoting this legislation, that we in parliament want nothing to do with it.

Therefore, Mr. Speaker, without further ado, I move, seconded by the hon. member for New Westminster (Mr. Mather):

That Bill No. C-211 be not now read the second time but that it be read this day six months hence.

• (5:40 p.m.)

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I hope that the Minister of Finance (Mr. Sharp) and other members of the house will reject this amendment, and the sooner the better, because the provisions of Bill C-211 are in my opinion long overdue. They should have been brought before the house and dealt with by it some time ago in order to establish a fair taxation base between those provinces that have publicly owned power utilities and those that have privately owned power companies.

In the province of Alberta, for example, some of the power and gas companies are publicly owned by municipalities and, of course, many others are not. They are privately owned corporations which are providing excellent service, at the same energy rate in many cases as publicly owned corporations elsewhere in Canada. But there is a discrepancy in the amount of tax paid by these utility corporations. If they are privately owned they are subjected to the same corporation tax as any other private corporation in Canada but publicly owned power and other utility companies are not taxed on the same basis.

I suggest that the purpose of this bill, for which I commend the Minister of Finance—is simply to provide a measure of justice to those citizens of Canada in areas that are served by privately owned utility companies, because certainly the only way in which privately owned companies can get the money with which to pay the federal corporation tax is through the rates charged to their customers.

Mr. Barnett: Mr. Speaker, would the hon. member permit a question?

Mr. Olson: I will later. It seems to me it is a complete injustice to have a tax base that requires citizens in some parts of Canada to pay a higher rate for energy when all other cost factors may be the same. If the hon. member for Comox-Alberni would like to ask his question now, I will endeavour to answer it.

Mr. Barnett: Mr. Speaker, I would like to ask the hon. member this question. In common logic, does he suggest that this bill will reduce the rates of the private utilities?

Mr. Olson: I was just coming to that, Mr. Speaker. So far as the government of Alberta is concerned, it has made a pubiic announcement, I believe, that it intends to return this tax money to the corporations which in turn have agreed to reduce accordingly the rates for energy. This would bring the situation more in line with the tax exemptions that are the privilege of publicly owned utility corporations. It seems to me that if this bill is not passed the effect will be an attempt to force the provinces to nationalize all utility corporations within their boundaries. That may suit the hon. member for Comox-Alberni and his philosophy but so far as we are concerned we can offer substantial evidence, in fact overwhelming evidence, that privately owned power corporations can and do deliver power to their customers just as cheaply and efficiently over a long period as any publicly owned utility in Canada, given the same set of other cost factors.

If it becomes necessary to come forth with all the facts and figures to compare, for example, a thermal power unit such as the one at Wampum, Alberta, with the one at Estevan, Saskatchewan, both of which use the same kind of fuel from the same kind of mining operation and are essentially the same kind of unit, it can be satisfactorily proven that the privately owned corporation producing power in Alberta does it in fact a little more efficiently than is the case in Saskatchewan. However, Mr. Speaker, I had no intention of taking up this much time this afternoon because I think this is a good bill which is long overdue. I ask the house to deal with it fairly and pass it as soon as possible.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to the main motion. All those in favour of the amendment to the main motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Division

The house divided on the amendment (Mr. Barnett) which was negatived on the following division:

YEAS

Messrs:

Barnett
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Douglas
Fawcett
Howard
Knowles
Lewis
MacInnis (Mrs.) (Vancouver-Kingsway)
Mather
Peters
Prittie
Saltsman
Schreyer—14.

NAYS

Messrs:

Aiken
Alkenbrack
Allard
Allmand
Andras
Badanai
Basford
Batten
Béchard
Bell (Carleton)
Benson
Bower
Brand
Brown
Cadieux (Terrebonne)
Cantelon
Cantin
Caron
Chrétien
Churchill
Code
Crossman
Deachman
Diefenbaker
Dionne
Drury
Duquet
Émard
Éthier
Fairweather
Faulkner
Favreau
Flemming
Forbes
Foy
Gauthier
Gordon
Goyer
Gray
Grégoire
Grills
Groos
Guay
Gundlock
Habel
Haidasz
Hales
Harley
Hellyer
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Wellington-Huron)
Hymmen
Isabelle
Johnston
Jorgenson
Klein
Korchinski
Lachance
Laing
Lamontagne
Laprise
Laverdière
LeBlanc (Rimouski)
Lefebvre
Loiselle
Loney
MacDonald (Prince)
Macdonald (Rosedale)
MacEachen
MacEwan
MacInnis (Cape Breton South)
Mackasey
MacLean (Queens)
Macquarrie
McCleave
McCutcheon
McIlraith
McIntosh
McKinley
McLean (Charlotte)
McLelland
McNulty
McQuaid
McWilliam
Mandziuk
Marchand
Matte
Monteith
Munro
Nasserden
Nesbitt
Nicholson
Nixon
Nugent
O'Keefe
Olson
Orange
Pascoe
Pearson
Pelletier
Pennell
Pepin
Pickersgill
Pilon
Prud'homme
Rapp
Régimbal
Reid
Ricard
Richard
Rideout (Mrs.)
Rinfret
Robichaud
Roxburgh
Rynard
Scott (Victoria (Ont.))
Sharp
Sherman
Simard
Simpson
Southam
Stafford
Stanbury
Starr
Stefanson
Stewart
Tardif
Trudeau
Walker
Watson (Assiniboia)
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winkler
Woolliams
Yanakis—137.

[Mr. Deputy Speaker.]

• (6:10 p.m.)

Mr. Speaker: I declare the amendment lost. Is the house ready for the question on the main motion?

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

Clause 2 agreed to.

The Chairman: Clause 3—

Some hon. Members: Carried.

The Chairman: Shall clause 3 carry?

Mr. Douglas: Six o'clock, Mr. Chairman.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Prince (Mr. MacDonald), Commonwealth Relations—West Indies—request for statement on customs union; the hon. member for New Westminster (Mr. Mather), Administration of Justice—medical association request for compulsory breathalizer tests; the hon. member for Greenwood (Mr. Brewin), Immigration—application for admission by those with visitors' visas. It being six o'clock the house will proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motion.

CANADA PENSION PLAN

SUGGESTED AMENDMENTS IN PRINCIPLE

On the order: Notices of motions:

That, in the opinion of this house, the government should give immediate consideration to amending the Canada Pension Plan in such a way

as to insure that it and complementary pensions and retirement allowance legislation in Canada are based upon the following principles:

(a) the immediate increase of the old age pension to $100.00 per month to all present recipients, and the integration and payment of such pensions out of the pension fund as amended;

(b) the establishment of a plan to provide a national minimum retirement income, participation in such a plan to be available but not compulsory to all;

(c) that a national retirement pensions plan should not be compulsorily superimposed on existing pension and retirement plans, but should be supplementary to them, on the basis of filling in gaps in coverage of existing retirement and superannuation plans so that all are covered up to the level established under sub-paragraph (b), participation being, however, elective to those who are already covered to or beyond that level;

(d) that true portability of pensions as between industries and areas, which is not affected by the present plan, be the continuing aim of pensions legislation and negotiation;

(e) that certain specific and foolish anomalies, such as those whereby more than one employer may be compelled to make a full annual contribution in respect of the same employee, with no right of recovery from the fund, and whereby some housewives will be compelled to make deduction from the wages of domestic help while others will not, although the basic wage rate is the same, be eliminated.

Mr. Fairweather: Mr. Speaker, I have been asked by the hon. member for Perth to request that this item be allowed to stand.

Mr. Deputy Speaker: Stand, at the request of the government.

Some hon. Members: Agreed.

HOUSE OF COMMONS

SUGGESTED PROGRAMS OF INTERNSHIP IN LEGISLATIVE PROCESSES

Mr. A. D. Hales (Wellington South) moved:

That, in the opinion of this house, the government should give consideration to the advisability of establishing a form of internship program in the House of Commons; the purpose of the said program being to better equip outstanding young political scientists, journalists and law school faculty members, with a better understanding of the national legislative process; the participants to be brought to Ottawa for six to nine months of full-time work as assistants to members of the House of Commons and to be paid a minimum stipend financed by the government and an established foundation grant, competition for the fellowship to be made each year, announced to coincide with the opening of a session.

He said: Mr. Speaker, I appreciate the opportunity afforded hon. members in private members' hour of being able to bring forth ideas and suggestions that they feel might be of benefit to this worthy chamber, to hon. members or to the government at large.

The motion I have presumed to bring to the attention of the house is one that was conceived out of the accumulation of work which I have found on my desk and on my shoulders since I have been a member of parliament for approximately the last ten years. I am sure that many other hon. members of this house have found that the amount of work which falls to their lot has become greater and greater as the years go on. I do not suppose there is one member in this chamber who would not admit that the ever-increasing amount of work, the great amount of reading, the numerous briefs and the great amount of research that falls to his lot as a member has become even greater and greater as the years have gone by.

I am sure that many of us come into this house not as well prepared as we would like to be to deal with the great mass of legislation that we are confronted with from time to time. Such unpreparedness makes the load of the member heavier and heavier. To illustrate what I mean, one has only to think of the Canada Assistance Plan bill that is before the house at the present time. With all the great complexity of this piece of legislation, how is any hon. member supposed to understand it as well as he should without first having had some assistance or some time to study it? Looking back, the same thing could be said about that enormous piece of legislation that was brought before the house and passed, namely, the Canada Pension Plan.

I ask, what can be done to help to rectify the existing problem of which I have spoken? Possibly the answer in part lies in the resolution I have put before the house. It says:

That . . . the government should give consideration to the advisability of establishing a form of internship program in the House of Commons; the purpose of the said program being to better equip outstanding young political scientists, journalists and law school faculty members, with a better understanding of the national legislative process; the participants to be brought to Ottawa for six to nine months of full-time work as assistants to members of the House of Commons and to be paid a minimum stipend financed by the government and an established foundation grant, competition for the fellowship to be made each year, announced to coincide with the opening of a session.

This resolution is twofold in purpose. It will provide outstanding help to students who participate as interns and will also be of great help to the member of parliament. I have suggested here only three classes of interns, namely, political science students, law students and journalists. My reasoning behind this is that I feel it would be better to

creep before walking in this type of program. Perhaps as it develops and proves itself we could extend the classifications for interns to many other fields.

What is the purpose of the House of Commons internship program which I have recommended in this resolution? First of all, it is to equip outstanding political scientists with an M.A. degree, graduates of law schools and journalists with a B.A. degree with a better understanding of our national legislative process, politics, and public affairs. Just as a medical student serves an internship to better equip himself, this program would make it possible for a political science student, lawyer or journalist to do likewise.

• (6:20 p.m.)

The participants would be brought to Ottawa for six to nine months of full-time work with a member of parliament and would be paid a fair living wage. It is suggested that they choose the member with whom they wish to work. I can see no objection to an intern who has worked for say four months with one member of parliament changing to another should he wish to do so.

The program would be of great benefit to the students as well as to the members. It is intended to bring young political scientists, lawyers and journalists into close contact with the day-to-day work of the House of Commons so that they can learn at first hand how the legislative process actually works. The fellowships will help bring light to the teaching processes in the field of political science once the students return to their outside studies. A student of journalism would be much better qualified after a period spent here working with a member of parliament and a term in the press gallery. The same would be true in the case of a law student.

I suggest that when an intern arrives he should be allowed a brief orientation period spent in interviews with key people in the legislative process, visiting various departments of government, spending a short period in the press gallery and so on. Afterwards he would settle down to working directly with a member of parliament, briefing him on major bills, reading and digesting the many briefs which are directed to his office, and similar tasks.

There is no end to the amount of help he could be. On the other side of the picture, the intern himself would be much better qualified for his own profession when he returned to his field of work outside parliament. Again, I am sure many of these people entertain the idea in the back of their minds that some day they may themselves run for office as members of this house. If they did and if they were elected, I am sure they would be better equipped for their duties after having spent a period working here as I have suggested.

Such a program would cost money, of course. How would these funds be raised? My first suggestion is that we might set up a centennial fund. Suppose interns were paid on the basis of $4,500 a year. If we set up a fund of $1 million at an interest rate of six per cent we could make provision for roughly 13 interns to begin with. Another way of raising funds would be to get one of the philanthropic foundations, possibly the Ford Foundation, to match a government grant made for this purpose. A program of the kind I have described has operated in the United States Congress since 1953 and I am glad to say it has gained greatly in stature since it was first begun. This is how the United Stated Congress got the money to carry on their program.

For the first several years of its operation the Congressional Fellowship Program was financed by the Edgar Stern Family Fund of New Orleans. In 1957-58, the program was financed by both the Stern Family Fund and the Ford Foundation. Beginning in 1958 the program was financed by the Ford Foundation as well as other foundations such as the Courier-Journal and Louisville Times Foundation, the New York Times Foundation, the Shinner Foundation, the Poynter Fund, the Revlon Foundation, and the Helen Dwight Reid Foundation. So there is no problem about financing this program in the United States, and I am sure we could do the same here without any trouble.

How would interns be selected? I suggest they should be selected as a result of a nationwide competition. The recommended age group would be from 21 to 35 and the criteria for selection should be superior training, practical experience and professional competence. The selection committee might be made up of two Conservatives, two Liberals, one N.D.P. representative, one Social Credit representative, two political scientists, two lawyers and two journalists. This group would select suitable candidates. Applications would be received in December and the selection made not later than March 31. Those chosen would begin their internship on September 1.

There are other details which would have to be worked out. Pay would start on, say, September 1 and continue on a monthly basis. The fares of successful candidates to Ottawa would be paid, as well as their return fares if they completed the course. A married student might receive between $4,500 and $5,500, plus $1,000 in respect of the first child and $500 for each additional child. Such a scale could be worked out. The program would be under the direction of the House of Commons internship committee and I believe the staff in the Speaker's office could handle the operational duties. It would be best, I think, if the scheme were confined to backbenchers.

I mentioned this idea at a meeting in my part of the country not long ago and one of the editors of the local paper wrote an editorial about it. With all due humility and modesty I should like to put a large part of this editorial on record. It is from the Guelph *Daily Mercury* and the heading is: "Political Internship A Sound Proposal". It reads in part as follows:

Alfred Hales' proposal to allow university graduates to serve political "interships" excited our interest. The idea has much to recommend it.

Mr. Hales said the plan would be invaluable to members of parliament who are required these day to do an ever-increasing amount of research to keep up with new developments on a wide front. He suggested the proposed "internship" should be open to graduates in journalism, law and political science. These should naturally be the people most interested in politics although we do not see why it should not be open to graduates in any field.

In any case, politics has become a difficult and complicated profession, making stiffer demands all the time on those who practice the art. There is a great need for a training ground in practical politics and Mr. Hales' proposal would go a long way toward filling that need.

Too often in the past has the popular and charming fellow down the street or on the farm been sent to Ottawa simply because he happened to be popular and charming. We send people to parliament to do the most important job in the country, but seldom ask to see their qualifications.

To send a man who has only a background of experience in township, county or municipal affairs, to recommend him is like sending a junior hockey player to the National Hockey League. He is not ready for it. And while he may make it in the end, a lot of time goes by before he does—time that is spent on the bench listening to the coach and watching the professionals.

A program such as Mr. Hales suggests would provide a nucleus of young political hopefuls with valuable first-hand experience and training which would stand them in good stead should they decide to make politics a career. And the country as a whole would benefit.

I put this on record to show the view expressed in an editorial in my constituency.

• (6.30 p.m.)

I should like to conclude by putting two quotations on the record concerning a similar program which has been in operation in the United States Congress. They are from letters written by Congressmen. Here is one from a letter written by Mr. Carl Elliott of Alabama:

Allow me to congratulate you on the exceptionally capable manner in which you have organized and directed the Congressional Fellowship Program this year. I have had an opportunity to observe several of the Fellows and could not be more impressed. It was, as you know, my great pleasure to have Mr. Edmund B. Lambeth in my office during the period from the first of the year until the Easter recess. Ed's work was, by all standards, truly outstanding. In view of the added burden placed on my office staff this year, I hardly can see what I would have done without him. He was, at all times, both alert and thoughtful, with a great gift for writing. His mastery of the important tasks assigned to him was a pleasure to behold.

I can think of no comments or suggestions which I might make regarding the operation of your program, with the possible exception that I would be glad to see you revise your policy so as to enable me to take on another fellow next year.

My second quotation is a short paragraph from a letter written by Mr. Ullman, Congressman from Oregon:

From every point of view, Dave's work was outstanding. He came at a time when my activities were somewhat restricted, moving into a schedule of full responsibilities with a minimum of prompting. His services to me as my Ways and Means Committee advisor, as well as his general duties in handling correspondence and agency work, were done with efficiency and good judgment. I have no criticism except that his term with me should have been longer so that we could benefit even more from the assignment.

Here is a sentence from another letter:

From my experience with Tom, I have learned how useful it would be to me to have a full time "legislative assistant" as an addition to our regular staff, to help me with the load of reading and analysis and more thorough study of legislation.

We in Canada, Mr. Speaker, are launching into a big operation in our parliament and must look forward to thinking in broader and wider terms. I can visualize someone speaking against this motion saying it may not be necessary because recently, as a result of a recommendation of the special committee on organization and procedure, we established a new branch for research in the library to aid hon. members. I believe it has a staff of eight and the budget for the branch runs between $75,000 to $80,000 a year.

However, this is a rather impersonal service. I do not think we get the same results from it

as we would on a day-to-day basis with assistance from an intern, but the branch could be continued as a complement to the internship program. That is something that can be decided another time.

I believe this resolution has great merit. I think Canada has reached a point where an internship program should be established on Parliament Hill. As I said at the beginning, it would be a tremendous assistance not only to the interns but also to the members of parliament. I hope hon. members will see fit to endorse the resolution or, if they do not feel like doing so right now, I suggest that the matter be referred to the special committee on organization and procedure the members of which, in their wisdom, could consider and recommend it to this honourable chamber.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this is a very interesting motion and I commend the hon. member for Wellington South (Mr. Hales) for introducing it. It has two principal aspects, both of which have much value. The first aspect is the internship program as a means of training Canadian students in politics, government and law. The second aspect relates to the use of these interns as assistants to members of parliament.

I shall deal first with the first aspect, that is, an internship program in the House of Commons. There is no doubt that university courses have a tendency to become too academic, with the result that the student does not always get a correct picture of the Canadian government and its parliament. For three years I served as a lecturer in political science, teaching Canadian government, and I often realized the difficulties met by students who never saw parliament in action. As a matter of fact, as a lecturer and a person fairly extensively read in Canadian government I found the picture I had obtained from books was not always the true picture of how our government and parliament act.

In many other countries it is much easier for students to visit the seat of government and study it at first hand. In England a large percentage of students live within a few hours of the parliament at Westminster. The same applies in Paris, Rome and most other European countries. In addition, many of these countries have education and training systems somewhat similar to that which is suggested in this motion. In France the Institut des Sciences Politiques and Economiques, established in Paris, gives the student who intends to work in governmentan excellent academic and practical training. While he may not work as an assistant to a deputy, he does keep in close touch with the practical processes of government.

Since Canada is a large, sparsely populated country it is especially important that some type of parliamentary internship be established. Many of our universities are such a long distance from Ottawa, and travelling to the national capital is so expensive, that such an internship program would help bring many students to Ottawa where they could get a first-hand viewpoint. Such a system would also do much to promote the national interest as opposed to the regional interest.

Students who might otherwise spend all their university years in the same province, subject only to provincial influences, would have the opportunity of spending a year in Ottawa learning to appreciate at first hand the national parliament. Such an internship program would not only do much to help students in their work and assist in the understanding of their respective sciences but it would also do much to upgrade the whole process of government in Canada. It would provide us with a group of men much better informed, more understanding and more knowledgeable of government and parliament.

The motion refers to political scientists, journalists and law professors but I would think it should include, as the hon. member mentioned, all students whose work requires an understanding of our government. These might be economists, law students, social scientists and social workers.

I find the inclusion of journalists most interesting. There is no doubt that the press gallery plays a most important role in our democratic process. They have the difficult task of reporting, interpreting and commenting on the affairs of parliament for the information of the Canadian people. Whereas today most members of parliament are obliged to concentrate on one or two areas of legislation, and cabinet ministers must necessarily concentrate, most of our journalists are expected to report intelligently on all types of bills, all types of statements and all types of political discussion.

In this age of specialization it is obvious that this may be too much to expect. One day the journalist is obliged to report on the technical intricacies of economic and fiscal policy, interest rates and taxation, the next day on the complexities of international law,

treaty making and United Nations procedure, and on the following day deal with labour law, collective bargaining, conciliation and arbitration.

Just as ministers, members of parliament and civil servants are obliged to concentrate their interests, it follows that members of the press gallery may have to do likewise. It is only in this way that the Canadian people will be able to get the specialized reporting they need to judge properly the work of parliament and government. It is recognized that the press gallery already has specialists and men from specialized journals, but the vast majority are individuals who are required to do the general reporting of all parliamentary business. It would seem that a parliamentary internship for students of journalism or apprentice journalists might help give this profession a more highly qualified group of reporters and critics.

• (6:40 p.m.)

The second aspect of this motion recommends that the parliamentary interns be assigned to members of parliament as assistants. This suggestion has been made for many years and each year it becomes more and more urgent. As I have already mentioned, government business is becoming more and more extensive and more and more complex. While an intelligent member of parliament may have been able to keep himself fully informed on all legislation 30 or 40 years ago, this is almost impossible today. In the ordinary course of his duties a member of parliament is required to sit in the house each afternoon, to sit in committees at least two mornings a week, to attend caucus at least one morning a week, to meet constituents and various lobby groups, to answer correspondence, to keep informed about the bills and resolutions which are presented to the house and, from time to time, to prepare speeches.

If a member attends all sittings of the house, all the meetings of committees of which he is a member and caucus meetings, it is easy to observe that he will not have much time to do all the other things mentioned. One of the most important and time consuming tasks is the reading and research required to prepare his speeches and his house and committee work. Even if the member of parliament has taken the course in rapid reading which is being given here he still could spend five hours a day reading and not even scratch the surface of many subjects.

I might say that the member would be able to do much more reading and research if he was provided with such standard business equipment as a dictating machine. If ever there was a job where dictating equipment was required, it is that of the member of parliament. While his secretary is in his office from 9 a.m. to 6 p.m., he usually is required to be in the house or in committee during these hours and therefore is often not able to dictate. If he had dictating equipment he could dictate at all available hours of the day and night without concern for the presence of his secretary. It would also allow him to make better use of his time and to plan his day in a more orderly fashion.

However, in order to perform his work properly the member of parliament must be given research assistance. The manner suggested by this bill is a good one. In this way we help not only those studying government but also the entire functioning of parliament.

In the United States Congress each congressman is provided with two secretaries and a research assistant. I understand that the United States senator has even more assistance than the ordinary member of the House of Representatives.

I should say also that the work presently being done by the legislative reference service of the parliamentary library is a good start. Although it was begun only recently it does provide us with a good deal of help in research. I think, however, that the type of research suggested in this resolution is necessary and should supplement the reference service. Mr. Speaker, I think this is an excellent resolution and I give it my full support.

Mr. Heath Macquarrie (Queens): Mr. Speaker, as has been the case in respect of all the speeches that the mover of this resolution has made since he came to this house in 1957, this one is a product of careful thought, proper research and extremely good intentions. I am completely in support of the general purpose which he seeks to achieve by this resolution. I congratulate him on the purpose he has in mind and I think there is great need for it to be achieved. Both preceding speakers established that need.

One is never concerned when people denigrate the politician. They have been doing so ever since there has been the product of politics. But when the institution itself is publicly denigrated and seriously misrepresented we are concerned. I believe there is a great need for this sort of assistance, this sort of recognition of the complexity of the task

which a serious member of parliament must undertake. Indeed, in line with the remarks of the hon. member who just sat down, how long would it take if one were to read all of *Hansard* after it is compiled, to say nothing of the statutes?

I went to great length to study the Canada Pension Plan, all three versions, but when one of my constituents asks a question I am never sure what the proper answer should be because I studied the preceding ones as well as the final one. The massive volumes of royal commission reports compound the complexity of what is before us. It is difficult to talk about all these matters because one is apt to give the impression, to use the expression of Hon. Howard Green, that one is whining about things. I think, however, that there is a legitimate case for the extension of our facilities. The research division in the library in my opinion is doing a fine job, but it is just a beginning.

It is so easy for us in Canada, with our curious superiority complex, to look upon the system south of us as being inferior, but I believe that if we look carefully at the average functioning Congressman and Senator we will see that in many ways he is able to function more effectively than we. I think the development of this sort of thing is part of the reason. I quite agree that we should give careful study to the internship program. I am delighted that my hon. friend has mentioned political scientists first because naturally these are the brainiest people of all. They have the proper training and are people who should be here.

Journalists certainly need this plan. Whether or not the house needs more lawyers is a question which there is not time to debate now, although I would like to take one side in that argument rather strongly. I suggest that perhaps the categories should be broadened to include many students, perhaps those in the humanities and social sciences and, indeed, perhaps those in the pure and applied science fields. Before we go as far as we must go, however, I think we will have to think of other changes here. We are going to need an increased physical plant on Parliament Hill. We are going to have to wake up to the fact that some time we had better look at the calendar a little more realistically and decide in deliberative assembly that we can pre-arrange the date of our convening and in a general way the date of our proroguing.

I believe that soon we must come to realize that a closer approximation to the academic year would be a reasonable way for us to conduct our yearly schedule here. With that in mind the program suggested by the hon. member would fit in extremely well. I should like to see the interns doing the things the mover suggests, but I think the most suitable arrangement would be an approximation of the academic year. There are so many things that bright young people could do to benefit us individually, to benefit the institution as a whole and, I would hope, to benefit them.

• (6:50 p.m.)

As a former professor of political science I agree with the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) that exposure to the practical aspects of politics may have some enriching effect, certainly on the man behind the podium and I would think it would extend to those on the other side of it. Perhaps he and I, if we return to the halls of academy, will look back on our internship here as something useful at least to us and hopefully for those who may be in our intellectual charge, if I may put it that way. I would say that this is a most imaginative, useful and thoughtful suggestion and the kind of thing which our parliament and our country should consider carefully and favourably. The bread and water era of our country proving itself in an economic way has long since passed and I think we must now think of improving our basic institutions. This is a fine, practical and useful suggestion. I support it wholeheartedly and I will now make time available for others to speak and for all of us to vote.

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I do not wish to take up very much time of the house but I should like to make a few remarks in support of the notice of motion presented by my colleague, the hon. member for Wellington South (Mr. Hales). In doing so may I say that its implementation will be beneficial indeed not only from the viewpoint of those who are going to participate in the program but also from the viewpoint of members of parliament, particularly those of us who are in our legislative infancy.

It is interesting, and allusion has been made to this by other speakers, to make comparisons of the research facilities available to members of parliament and those to which members of the Congress of the United States have access. Certainly the notice of motion before us would seem to parallel almost the congressional fellowship program

about which the hon. member for Wellington South has spoken. That program has been sponsored by the American Political Science Association and financed by the Ford Foundation and other groups and it provides Senators and members of the House of Representatives with an additional source of assistance.

The program to which I have referred is one which might well be studied by those who are interested in how the mechanics of such a suggestion as the one we are now discussing might be worked out. As hon. members know, in addition to the facilities of the library of Congress research branch, which functions in a manner similar to the one recently set up in our parliamentary library, congressman and senators are provided with funds with which to engage administrative assistants who help in such things as correspondence, problems of constituents both personal and otherwise, the gathering of material for speeches and in dealing with government departments on behalf of constituents as well as analysing legislation. As has already been mentioned, senators and congressmen also have very large secretarial and office staffs to help them. They seem to be very much better off in this way than we are.

Speaking from that viewpoint alone, and as I have said I support the suggestion by the hon. member wholeheartedly, I wonder whether this motion goes far enough to provide the facilities which are required at this time and certainly will be required in future by members of parliament. The 12th report of the special committee on procedure and organization, submitted on October 7, 1964, suggested that the ideal situation would involve one assistant for every ten members of parliament and that the functions of the researcher would include the preparation of statistical data, the investigation of the pros and cons of any argument referred to him, the summarizing of press comments and the provision of notes for speeches. While I should not like to underrate the value of such a service, it seems to me that we would be doing every member of parliament, and particularly the backbenchers, a great service by allowing them to engage a qualified person who would have closer contact with the member for whom he worked and would be more partisan in the best sense of that word and thus better equipped to help his member or group of members. Under the system of research assistance in the library of parliament members have no choice in the selection of those who are to participate. Would it not be better to allow us some choice in the selection of those who are to serve us?

I could go on but I should like to see this motion come to a vote this evening. For that reason I will resume my seat and allow other members to comment.

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I, too, hoped that this motion would come to a vote and I am confident that it would have come to a vote had it not been for the fact that the hon. member for Saskatoon (Mr. Brand) gave the house a rather distorted impression of its purpose. It would be unfortunate to vote on it while that impression remains.

The hon. member dealt with the motion as though its purpose were to provide assistance to the members of the House of Commons. I do not think that is primarily the intention of the hon. member for Wellington South (Mr. Hales). His intention is surely more important, and one which I think inevitably would commend itself to every member of this house.

There is no doubt that we ought to try to provide people engaged in political science, journalists, members of universities' law faculties, and others with an opportunity to come to Ottawa and participate, vicariously if you will, in the operation of parliament. This would not be an easy thing to work out; and I do not think the congressional fellowship program in the United States provides us with all the instructive parallel desirable because their system of government is very different from ours.

It would be very worthwhile for these interns to hear one of our better informed members, the hon. member for Winnipeg South Centre (Mr. Churchill), talk about the constitutional role of the House of Commons and more generally the parliament in our system of government. Some of us heard him speak the other evening very accurately on this matter. I am sure that many members of the House of Commons and of the press gallery were edified by what he said. He showed quite clearly that we have a very much more complicated system of government than the American and one in which it would be more difficult to introduce a program for interns. I wonder, for example, how suitable many members of parliament, given

the particular emphasis that they give to their work, would be for many of the interns. Perhaps the answer would be to have the interns assigned to the offices of the Prime Minister and the Leader of the Opposition where they would be most directly involved with the on-going work of the House of Commons in the legislative process, and in the other processes of this house which are perhaps even more important in our system. However, there are obvious difficulties in that proposal as well.

Mr. Deputy Speaker: Order, please. The hour for considering private members' business has expired and the house will now revert to the business interrupted at six o'clock.

FINANCE

PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX

The house resumed consideration in committee of Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies—Mr. Sharp—Mr. Rinfret in the chair.

The Deputy Chairman: When the committee rose at six we were about to consider clause 3.

• (7:00 p.m.)

On clause 3—*Payments to provinces.*

Mr. Barnett: Mr. Chairman, I have no desire to detain the committee at any great length on this clause, but it does seem to me that in view of the fact that the house did not see fit to accept the amendment which I moved at the second reading stage, which if it had carried would have resulted in a rejection of this proposal, perhaps some consideration should be given to the terms of the bill as set out in clause 3.

If I understand this clause correctly, it provides that the Minister of Finance may from time to time pay to the various provinces of Canada out of the consolidated revenue fund certain sums which have come into the federal coffers as a result of corporation tax levied on private utilities. Under the terms of this clause the minister will be empowered to refund into the hands of the provincial governments 95 per cent of such corporation tax that they pay as a result of revenues obtained from their public utility operations.

[Mr. Stewart.]

It seems to me that if the house is going to approve this bill we should be concerned about what is going to be the end result of placing these funds back in the hands of the provinces. Indeed, in my view, if this action is to be taken at all, parliament in this bill should set out the terms and conditions under which these funds should be administered, once they are refunded to the provinces. Basically, as I understand it, this is federal revenue, revenue which has come into the hands of the government of Canada and in my view it should not simply be handed back to the provinces as another form of unconditional grant. We had a discussion earlier about the pros and cons of the advisability of the operation of public and private utilities. The question whether the operation of publicly owned utilities may be more in the interests of the consumers than privately owned utilities can be a subject matter of debate.

In regard to my own province of British Columbia, where of course within the last few years our major private utility was taken into public ownership and has been managed since that action was taken by the present government of British Columbia, there is some question in my mind whether it is being operated in what one considers to be the best interests of the consumers, the customers of the B.C. Hydro and Power Authority. One has in mind for example that perhaps an undue proportion of the revenues of that corporation are being siphoned off into financing expansions in certain parts of the province, rather than being used to bring lower rates and better service to the people of the province who are the customers of the corporation at the present time.

If I understand this proposal correctly, it will apply to the private utility corporations which are operating in the southeasterly part of the province. One of the questions that arises in my mind, at least as this clause is worded, is whether when the government of British Columbia gets its hands on the money which it is proposed should be rebated by the Minister of Finance, in effect the customers of the Kootenays in British Columbia will be doing what the customers of B.C. Hydro and Power on the lower mainland and Vancouver Island are now doing, namely assisting out of their power bills in the financing of the development of a project in the Peace river, which is commonly referred to as the Peace river dam and power development. These are the sort of considerations which I think should give us some cause for concern as we

consider clause 3 of this bill. In my view that kind of action should not be allowed. The hon. member for Medicine Hat earlier told the house that he had an understanding that, if it got this money in its hands, the present government of the province of Alberta, from which he comes, was going to do something, toward refunding it to the customers of the private utilities in the province. That may or may not be the case.

I am prepared to take the hon. member's word that this is the intention of the present government of Alberta. Nevertheless governments come and go, as those of us who sit in this house know only too well. Therefore it seems to me that some consideration should be given to what disposition will be made of these funds in the hands of the provinces. I am hoping that the amendment which I propose to move to clause 3 may in this instance receive the support of the hon. member for Medicine Hat, because in some respects it is along the lines he was arguing a little earlier at second reading stage. Therefore, Mr. Chairman, I should like to move:

That subclause (1) of clause 3 be amended by substituting a comma for the period at the end thereof and adding the following words:

"provided the province agrees that such amount will be applied to reduce rates paid by the customers of the respective designated corporations."

The Deputy Chairman: May I ask hon. members if they would enlighten the Chair as to the relevancy to clause 3 of the amendment in its present form.

Mr. Olson: Mr. Chairman, I was about to say something on this particular amendment with regard to its propriety, and whether it is in order. While it is an amendment to subclause (1) of clause 3 of the bill, it seems to me that if you read clause 4 fairly carefully you will find that it has essentially the same effect, because it says:

Where a province certifies that an amount that is all or part of an amount paid to it under this act has been paid or otherwise transferred or credited to a designated corporation for its own use and benefit, and certifies the amount that has been so paid or otherwise transferred or credited to the corporation, the amount so certified is exempt from income tax.

Therefore it seems to me that the amendment is perhaps slightly superfluous except for one point, and that is that the hon. member for Comox-Alberni spells out in his amendment that it will be applied to reduce rates paid by the customers of the respective designated corporations. I suggest, Mr. Chairman, that perhaps the argument I am about to advance is not valid on a point of order. There are reasons to hold out that no province is going to apply for a refund of this tax unless the designated corporations do in fact agree to reduce the rates by a certain amount, perhaps to the extent of 100 per cent of the amount of the rebate. I think therefore that the sense of this amendment could far more properly be applied to clause 4 rather than clause 3, because as I read it, at first glance it seems there would be perhaps some conflicting and unnecessary wording in clauses 3 and 4 if this amendment were accepted to clause 3.

• (7:10 p.m.)

Mr. Sharp: This proposed amendment would substantially alter the nature of this legislation. May I say to the hon. member who has proposed it that he is really calling in question the value of public opinion in the provinces of this country. After all, the purpose of this legislation is to avoid giving an artificial inducement to any province to nationalize its public utilities; that is the purpose of the bill. It is being brought forward in response to representations made by provinces that unless to a large extent these taxes are refunded—and this bill proposes 95 per cent—the privately owned utilities are at a great disadvantage compared to the publicly owned utilities. Moreover, the province or its consumers could gain a great advantage from nationalizing these enterprises.

As far as I am concerned the decision as to whether a particular utility should be nationalized or not should not be affected by taxation. I am not opposed to public ownership; indeed I have often advocated it and I defend it quite vigorously. However, I do not think the federal government should provide a reason for nationalization which has nothing to do with the inherent advantages of public ownership. The purpose of this bill is to remove this artificial stimulus to public ownership.

I believe it should be left up to the province concerned to decide whether it wishes to pass on the benefits of this refund of taxes to the consumers or whether the people of that province prefer to use the money for other purposes. That is a decision that should be made by the provinces. I do not think it is good public policy for us to require under this bill that the provinces pass this refund on to the consumers of the utility.

As I listened to the hon. member's argument, it was obvious to me that he was protesting against the activities of a certain

publicly owned utility in his own province. Surely if a public utility charges rates which are not agreeable to my hon. friend, that is something being done by the public utility which is under the control of the province itself.

I therefore believe, Mr. Chairman, that this amendment should be rejected. I believe that it would compel the provinces to take action which, in their own wisdom, they might prefer not to take, as against action which might be as much in the interest of all the consumers of the gas or electricity being provided in that province as would be a reduction in rates.

Mr. Barnett: I find the argument advanced by the Minister of Finance to be most intriguing indeed because the only interpretation I can place upon his argument, if it is to have general validity, is that in effect he is advocating the complete abolition of taxes. Far from recognizing his argument, that in the absence of this legislation there is a weight in favour of the provinces bringing about the public ownership of public utilities, I consider that this legislation is weighted the other way, toward the preservation of the private ownership of public utilities.

Mr. Sharp: May I ask the hon. member a question? If the provinces were concerned about the effect of our general taxation upon other industries, why did they not make representations with respect to industries other than public utilities?

Mr. Barnett: I would suggest, Mr. Chairman, that probably by and large the reason for this is that the members of most of the provincial governments subscribe to the same philosophy as that advocated by the Minister of Finance. They believe in protecting the right of private industry to make profit, and they are not concerned with the most economical provision of services to the people of this country.

The whole principle of the corporation tax is based upon profits, and the only case where any discrimination arises is in the minds of certain people such as the premiers of British Columbia or Alberta or the present Minister of Finance. They consider that there is some imaginary discrimination in allowing a company to operate at cost and not pay corporation tax. This is the question of principle that is involved. The Minister of Finance can stand up here and talk all he wants about his belief in and support of public ownership, but in effect what he is doing by introducing this bill is expressing, in very specific terms, his own belief in the preservation of private ownership even in the field of public utilities. This is what this issue is all about.

[Mr. Sharp.]

I am not disposed to argue the question of principle at any length. We had a discussion of this at the second reading stage of this bill. All I am seeking to do by my amendment, in view of the acceptance by the house of the principle of the bill, is trying to ensure that this refund of corporations tax will be passed on to the customers. This will, in a minor way, rectify the balance and put the customers of private utilities on the same footing as the customers of public utilities. If properly managed, public utilities will provide their services to the consumers at a minimum cost.

Let me turn for a moment to the argument advanced by the hon. member for Medicine Hat. I have been momentarily diverted from it. He referred to clause 4 which, if I understand it correctly, bears no relation to the principle of my amendment because it simply says that if the province turns this money back to the private utility, that will not be regarded as taxable income. There might be a need for a consequential amendment flowing from my amendment in clause 3, if it is carried. Clause 4 states that the province can turn this money over to the private utilities—the phrase used is "for its own use and benefit"—and the corporation will then not be liable for taxation on this sum. Clause 4 does not say whether the corporation is to pass this on to the consumers. All I am suggesting is that we should ensure that the corporation profits, which have come out of the consumers' pockets in the first place, be handed back to the provincial government; that, in giving this money, we should say "We want to make sure it goes back to the customers from whom it came in the first place". Quite frankly I cannot see that this legislation will protect the interests of the people of Canada unless we agree to ensure that what I have proposed does happen.

• (7:20 p.m.)

The Deputy Chairman: The amendment submitted by the hon. friend for Comox-Alberni seems to ge beyond the proposed resolution and also beyond the bill entitled: An act to authorize the Minister of Finance to transfer to the provinces a proportion of the income tax payable by certain public utility cmpanies. The amendment goes beyond the principle of the bill and introduces a new provision which, in the opinion of the Chair, is irrelevant and beyond the

scope of the clause that we are now considering. I would refer the members of this committee to Erskine May's seventeenth edition, page 549 where it is mentioned, in reference to the inadmissibility of amendments:

An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill—

I must declare with regret that the amendment submitted by the hon. member for Comox-Alberni is out of order.

Shall clause 3 carry?

Mr. Barnett: I must say, with regret, that I cannot accept your ruling in this connection, Mr. Chairman, that my amendment is beyond the scope of the bill. I believe it is within the ambit of the purpose of the bill to suggest the manner in which the province shall spend the money given. With great respect, Mr. Chairman, I must ask that this ruling be appealed to the Speaker.

Mr. Speaker resumed the chair and the Chairman of the committee made the following report:

The question is an appeal to Mr. Speaker pursuant to section 4 of standing order 59. In committee of the whole when clause 3 of the Bill No. C-211 was being considered, the hon. member for Comox-Alberni proposed an amendment as follows:

That subclause (1) of clause 3 be amended by substituting a comma for the period at the end thereof and adding the following words:

"provided the province agrees that such amount will be applied to reduce rates paid by the customers of the respective designated corporations."

The Chairman ruled to the effect that the proposed amendment went beyond the principle of the bill and introduced a provision which, in the opinion of the Chair, was irrelevant to and beyond the scope of the bill.

Mr. Speaker: Hon. members will realize that the rules we have wrought for ourselves are not always too easy of application, and this applies particularly in the case of appeals that we have provided from the Chairman of Committees to the Speaker. Hon. members realize, I am sure, that the Chairman of Committees follows the work of the committees very closely. When an amendment is submitted to him he has before him at that very moment the different clauses of the bill. I feel—and this might be only *obiter*—that the Speaker should not be asked to substitute his personal judgment for that of the Chairman of Committees.

In this particular instance an amendment in the following words was moved:

That sub-clause (1) of clause 3 be amended by substituting a comma for the period at the end thereof and adding the following words:

"provided the province agrees that such amount will be applied to reduce rates paid by the customers of the respective designated corporations."

In the opinion of the Chairman of the Committee this amendment seemed, or appeared, to go beyond the terms of the principle of the bill before the house. I refer to Bill C-211, an act to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies.

The principle is further expressed in the resolution which says, in part:

That it is expedient to introduce a measure to authorize payments to the provinces equal to 95 per cent of that part of the income tax paid under part I of the Income Tax Act by certain corporations—

And so on. Later, at the end of the resolution it states:

—and sale in the province for distribution to the public of electrical energy or steam, or from the distribution and sale of gas to the public in the province; and to provide that an amount paid under the said measure that is paid or otherwise credited by the province to such a corporation for the use of that corporation shall be exempt from income tax.

• (7:30 p.m.)

This resolution sets out the principle on which the bill is based. I have the impression therefore that the ruling of the chairman is justified by the authorities which have been brought to my attention. As hon. members know, an amendment is out of order if it is irrelevant to the subject matter. I refer of course to May's seventeenth edition, page 549:

If it is irrelevant to the subject matter—or beyond the scope of the clause under consideration—amendments which are irrelevant to the clause under consideration should, as a general rule, if they are within the scope of the bill be moved as new clauses.

Hon. members know that reference as well as or better than I know it. A judgment has been expressed by the Chairman of Committees that the amendment moved by the hon. member is beyond the terms of the principle of the bill, that it goes beyond the scope of the principle of the bill. I do not think it is sufficiently evident that an injustice has been done in the ruling of the chairman for me to rule otherwise. I think I

have to sustain the judgment rendered by the Chairman of Committees.

In these circumstances I regret that I do not think I should accept—

Mr. Barnett: Will you allow me a word, Mr. Speaker?

Mr. Speaker: Yes. I suddenly realized as I was rendering this judgment that I should have asked the hon. member to give his opinion. I invite him to do so, and I assure him that I shall not be prejudiced by the opinion I have already expressed in hearing the argument which he may want to make at this time in support of his view that the proposed amendment is in order.

Mr. Barnett: Mr. Speaker, I assure you that it was with some regret that I felt I was not satisfied with the ruling made by the chairman in the committee of the whole.

Having checked the resolution to which the chairman referred while we were in committee, it is still my view that my amendment lies entirely within the principle of the bill. Had Your Honour not already done so, I had intended quoting precisely those parts of the resolution which Your Honour has already quoted.

The amendment I sought to move did not seek to alter in any way the principle that this money was to be paid to the provinces. In my view, the effect of the amendment is to alter the terms of the clause in question in such a way as to give more direction to the provinces as to the manner in which the money we are voting shall be spent.

This, in my submission, does not in any way alter the scope or the terms of the resolution, or the principle of the bill. The amendment seems to me to be relevant to the clause under discussion, which has to do with the paying of money to the provinces. All the amendment seeks to do is to allow the Minister of Finance to say to the provinces that this money shall be spent in a certain way. I therefore feel that the amendment is strictly relevant to the clause under consideration. While it could possibly be introduced as a separate clause, nevertheless the amendment ties in directly with the subject matter of subclause (1) of clause 3, and therefore in my understanding constitutes a proper and relevant amendment.

I do not consider myself to be an authority on all citations that are quoted in the house on this matter, but I feel sure in my own mind that on a number of occasions in committee I have heard amendments proposed to bills that certainly were no more and no less within the principles of the original resolutions or bills than the amendment I now propose.

[Mr. Speaker.]

Mr. Sharp: Mr. Speaker, with all due deference to the views of my much more experienced parliamentary friend, who has just spoken, I suggest to you that the proviso that has been moved with respect to clause 3 (1) of the bill does introduce an altogether new principle. The resolution clearly forecast a bill, in which payments would be made to the provinces equal to 95 per cent of the income tax that had been collected by the federal government.

If, in fact, it had been intended that that money should in all cases be for the benefit of the customers of these public utilities, then I suggest that that would have had to be included in the resolution which preceded the introduction of the bill. While I do not know at what stage an amendment such as the one Your Honour is considering might have been appropriate, being one that affects the principle of the bill it certainly is not appropriate at this stage.

• (7:40 p.m.)

Mr. Speaker: The opinion expressed by the Minister of Finance is very much along the lines of what I suggested a moment ago, namely that in the amendment a new principle is being sought to be introduced. That amendment is not relevant to the clause now before us. I may be wrong, but looking at the bill itself and at the clause under consideration, in the light of the amendment moved by the hon. member for Comox-Alberni (Mr. Barnett) it seems to me the amendment is a very far reaching one. The hon. member appears to wish, through his amendment, to regulate the charges being charged by the public utilities and by the provinces. In my view this is an entirely new principle and one which goes beyond the terms of the clause under consideration. I am sure this is the basis on which the ruling of the Chairman of the Committee was made. Again, in spite of the very intelligent and plausible argument put forward by the hon. member for Comox-Alberni I have to maintain the decision rendered by the Chairman of the Committee and refuse the appeal.

And the house having resumed in committee:

On clause 3—*Payments to Provinces.*

Mr. MacLean (Queens): I do not wish to hold up the passage of the legislation, since I support it, especially as it applies to the province from which I come where utilities of this sort are privately owned and where we have been suffering the burden of additional taxation, as compared with provinces where public utilities are publicly owned.

However, there are one or two questions I should like to ask the minister for the sake of clarification. It was impossible for me to be here during the resolution stage and I have not read all the discussion which took place at that time. But I wonder why this was not introduced as an amendment to the Income Tax Act, following the budget, in the regular way. Why is the tax not being refunded to the companies? Why is it collected from them in the first place? I suppose the government has certain reasons for following this roundabout method of making refunds to the provinces. No doubt this has already been explained.

My other question is this: Have any of the provinces in their briefs to the minister on the subject of this type of public utility advanced the same arguments with regard to other types of public utility? I am thinking chiefly of telephone companies?

Mr. Sharp: We did consider whether we could not relieve these corporations of federal income tax. This is one alternative. However, as I said on the resolution stage, this course would have several disadvantages. First, the federal government would have to continue to assess these corporations for their liability under the old age security tax. Second, the federal government was obligated under the tax collection agreements with eight provinces to assess and collect the provincial corporation income tax on these corporations. Third, many of the larger public utilities earn income from sources other than their public utility operations, and it would be impossible to exempt them from income tax without jeopardizing the corporation income tax structure. Fourth, while certain provinces might wish to pass the tax saving on to the consumers by a reduction in utility rates, other provinces might not wish to forgo the share of the federal revenue they were presently receiving, or the additional revenue that they would receive under the new sharing arrangements. Fifth, if the federal income tax were abolished, the shareholders in these public utilities would cease to be eligible for the dividend tax credit.

The question was then asked: Have the provinces requested that similar treatment be extended to other utilities such as telephone companies? As far as I am aware, no such suggestion has been made. I have heard some public discussion about this, of course, but I have had no conversations with any of the provinces about other utilities, nor I understand had my predecessor.

Clause agreed to.

Clauses 4 to 6 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

The Deputy Chairman: Shall I report the bill?

Mr. Knowles: On division.

Bill reported.

The Deputy Chairman: When shall the said bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: Next sitting.

The Deputy Chairman: By leave, now?

Mr. Knowles: Next sitting.

HEALTH RESOURCES FUND

ASSISTANCE TO PROVINCES FOR HEALTH TRAINING AND RESEARCH FACILITIES

The house in Committee on Bill No. C-199, to provide for the establishment of a health resources fund to assist provinces in the acquisition, the construction and renovation of health training facilities and research institutions—Mr. MacEachen—Mr. Rinfret in the chair.

Clauses 2 to 6 inclusive agreed to.

On clause 7—*Conditions.*

Mr. Basford: I should like to move a technical amendment to clause 7 as follows:

That clause 7 of Bill C-199, "An act to provide for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions", be amended by adding thereto paragraph (d) and Sub-Clause (2) as follows:

"(d) Provided to the minister an agreement, the terms of which shall be approved by the minister, by which the province to which such payment is to be made, shall show or indicate in a manner

acceptable to the minister, the proportion and amount of the contribution of the fund towards the acquisition, construction and renovation of health training facilities and research institutions within the provinces to which such payment or contribution is to be made pursuant to section 4 or 5.

"(2) The Governor-in-Council shall make regulations prescribing the manner of carrying out and giving effect to paragraph (d) of sub-section (1) of this section in order that the contribution of Canada towards the acquisition, construction and renovation of health training facilities and research institutions within the provinces shall be acknowledged in a manner approved by the minister."

• (7:50 p.m.)

I do not want to hold up the work of the committee. I shall only take a minute to explain that over the last 30 years we in the federal parliament have got ourselves into the position of raising vast sums of money. We as federal politicians take the responsibility of raising those moneys through income tax, excise tax and otherwise, and we are paying out this money to politicians who do not have the responsibility of raising it.

I suggest that this now constitutes a serious situation in Canada. We have heard a great deal about co-operative federalism in this parliament, and in this house. It seems to me co-operative federalism is a two-way street, in which we in this parliament must recognize our responsibilities to provide the provinces with the resources and the facilities they require to carry out the programs they must provide, and in which they in turn must be prepared to recognize the role of the federal parliament and federal government in the carrying out of our programs.

I could enumerate the shared cost programs to which the general remarks I have made apply, but I shall make reference to only three with which hon. gentlemen opposite are familiar. They are familiar with the very excellent program they initiated, the vocational training program, under which the government of Canada contributed substantial capital cost grants towards the construction of vocational schools. I compliment hon. gentlemen opposite upon initiating that program when they were in government, but I suspect there is not one out of a hundred Canadians who recognizes that federal money has gone into the construction of vocational schools.

I refer also to another program that hon. gentleman opposite initiated, the shipbuilding subsidy program, which was a particular application in my province. Under it the federal government paid a 35 per cent subsidy on ships built in Canada; yet I suggest only about one out of every one hundred British Columbians realized that federal taxpayers contributed that 35 per cent.

As I say, I do not want to hold up the work of the committee, but I have moved this amendment to clause 7 of the bill, which is a government bill. I am a government backbencher but I have never regarded myself as a rebel or maverick. However, I regard it as important to preserve the prestige and stature of the federal parliament and the government of Canada, and this amendment is designed to do that.

Mr. MacEachen: Mr. Chairman, the amendment asks that the minister seek an agreement from each of the provinces covering projects to be approved under the legislation indicating, in a manner acceptable to the minister, the extent of the federal participation. The federal parliament is now, I hope, about to pass legislation providing for participation by federal funds, up to a maximum of 50 per cent of the cost of projects covered by the legislation. I think it is desirable that the funds that are voted by the federal parliament be regarded as having been provided through taxation exacted by the federal parliament, and to that extent I appreciate the objective of the amendment.

But I must point out to members of the committee that we have had several conferences with the provinces and at no time did we discuss this particular matter. The government has no commitment with respect to the provinces that this would or would not be done. In my view this is a matter upon which each member of the committee can decide for himself. It is not the kind of matter that I want to make the subject of confidence at this particular time.

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

Some hon Members: Question.

Mr. Rynard: Mr. Chairman, I think we should take a second look at this. We are interfering with education, a provincial matter, but under this amendment we would be giving the minister complete control. A later clause in the bill provides for the establishment of a health resources advisory committee, consisting of eleven members, ten to be appointed by the lieutenant governors in council and the eleventh being the deputy minister of national health.

This committee should be a sufficient safeguard. When we reach that clause we shall

discuss the personnel at some length, but with respect to this amendment I do not see how the minister can go back and say to the provinces, "I am going to be the sole arbitrator as to the money you spend. If your plan does not agree with me, then out it goes." In this way he would be interfering with the B.N.A. Act and provincial jurisdiction over education.

This fund will provide $500 million, which is about the same amount as the province of Ontario plans to spend in a ten year period. Every member of parliament knows, or should know that this is the contribution of the federal government.

• (8:00 p.m.)

This grant is made over a period of 15 years. My feeling is that this should be tripled. I believe it is the feeling of those who have spoken in the house from all parties that we must buck up our research. I would certainly suggest to the minister and the federal government that they should be underwriting research entirely; this should be in the hands of the federal government and it should supply the research tools, because it is of national concern and should be a national health policy. I do not see how you can say to a province: I am going to be the sole arbitrator of this situation. I think this is wrong, because then you would be entering as I have said before the field of provincial education, and perhaps municipalities as well who may contribute.

Mr. Barnett: Mr. Chairman, I have listened carefully to the argument advanced by the hon. member for Simcoe East. I believe he misunderstood the purport of the proposed amendment. If I understood it correctly, the idea is not in any way to alter or change the terms under which money will be made available to the provinces for the purposes which are set out in the bill, but rather to clarify the situation in respect of the source of these funds.

Perhaps the hon. member for Simcoe East, representing an Ontario constitutency, has not encountered the kind of situation some of us have encountered, where we find that large sums of money from the federal treasury are put into projects and then heralded as being entirely provincial projects. Certainly as a member from British Columbia I am very much aware of this situation, so far as the contributions made from the federal treasury for the construction of the trans-Canada highway are concerned. Certainly in British Columbia, except for the occasional time when a private member of the House of Commons raises his voice to point out a few of the facts of the situation, the people are led to believe that the trans-Canada highway was built by the provincial M.L.A. for the constituency of Kamloops.

In this connection I should like to point out that in some other jurisdictions this kind of situation does not apply. While on a trip down into some of the states of the United States last year I recall that where certain inter-states projects were under way there was a large notice board which set out exactly in figures the allocation of funds between the federal treasury, the state treasury, and so on. There was none of this business of making it appear that it was all being done as a personal favour by some particular member or official of government.

If I understand correctly the purpose of the amendment, it would seem its intention is to provide that under the health resources fund the payments which were in fact made from the treasury of Canada would be so designated that the people in a particular province would not have the impression that these facilities were being provided entirely as a gift of some particular minister of a province. With my experience as a member of the House of Commons, who has not been a supporter of any of the federal governments which have been in power while I have been in the house, and not having been in the position of being a political supporter of the government of my own province, I should like to say that I think such an amendment as this might have a rather salutary effect in serving to keep the records straight in the minds of the people of Canada with regard to where their tax dollars are being spent, and from what source they are being spent. From that point of view and in the light of the experience some of us have had, I think this is an amendment which certainly is worthy of serious consideration in this house.

Mr. Byrne: Mr. Chairman, I should like to support wholeheartedly the amendment put forward by my colleague from British Columbia. Several months ago I had occasion to speak on a bill. It was a private member's bill providing for certain grants to the provinces. At that time I pointed out that the province of British Columbia—that is, the premier and his administration—were not duly recognizing the amounts of moneys that were being handed over to the provincial administration for

its disposal. With regard to the trans-Canada highway I pointed out, as was mentioned by the hon. member for Comox-Alberni—and I have to go entirely by memory now—that in respect of the portion from the arch entrance at the Banff National Park to Revelstoke $103 million had been spent, of which the federal government provided something like $98 million. Yet, when the former Conservative administration asked that a joint opening of this vast project be held, the provincial administration decided that they would not co-operate in such a project. They rushed in, and two weeks prior to the grand opening held one of their own. As I said earlier they had spent only, I believe $2,500,000 or $3 million. However, they had a grand opening, with a barbecue at which the minister of highways was the master of ceremonies.

Personally I think this was very unfair even to the former administration. This is only one example, but I have another. In the province of British Columbia a receipt goes to any person who has profited from our national hospitalization program. The government of the province of British Columbia sends out one of its receipts after payment on behalf of a person who is a resident of British Columbia has been hospitalized. I have with me a photostat copy of one of these receipts. It states:

> The Government of the province of British Columbia through the British Columbia Hospital Insurance service has paid the hospital account shown below.

Of course there is no reference whatsoever to the joint hospitalization program of which the federal government pays approximately 50 per cent through regular taxation. Now, to compound the impropriety of such a receipt, in smaller type they say:

> Due to federal government regulations this is not valid for income tax purposes.

The inference here, of course, is that when a person privately pays his medical or hospitalization account and it amounts to something over 3 per cent of his taxable income, he may make reductions in his income for tax purposes. However, the two administrations, that is the provincial and federal, make this payment directly to the person who has been hospitalized.

• (8:10 p.m.)

Inasmuch as the federal government had made a 50 per cent contribution, it would be irregular to expect that a taxpayer should receive double benefit. This would involve a doubling or at least a compounding of the federal grant. In all fairness I think the committee should consider the advisability of insisting that the provinces give some recognition to the fact that it is the federal government, which is responsible for collecting the tax, and therefore must receive some recognition. Otherwise democracy could not exist.

Having recognized the astuteness of the hon. member for Simcoe East I find it difficult to understand how he could so completely misread this amendment. I hope he will reconsider it and give his support to the proposal.

[*Translation*]

Mr. Gauthier: Mr. Chairman, for the past twenty minutes fantastic things have been going on in this house. An amendment proposed by the New Democratic Party to Bill No. C-211 has just been rejected under the pretext that it would be an intrusion of the federal government in fields coming under the provinces, in short, because it would simply be instructing the provinces how to administer the money turned over to them. At this stage, I want to mention that the money given to the provinces by the federal government is not a donation; it is simply handing over the taxes collected illegally in the provinces.

Mr. Chairman, you rejected the socialistic amendment proposed by the New Democratic Party, and rightly so; but you are now accepting the very proposal made earlier.

According to the amendment now before us, the minister is appointed referee; the power of veto will be vested in the minister as to whether or not the moneys are granted to the provinces. It seems that having rejected the first amendment, the government reverses itself and suddenly reverts to socialism.

On Clause 6 of Bill No. C-199, the amendment which the New Democratic Party had moved on Bill No. C-211 is now being moved again, this time with government support; it is no longer deemed an infringement yet, to top it all, it refers to education. As far as education is concerned, the provinces will be bringing up a project; whatever its scope, the federal government will agree to reimburse—not to contribute, but to reimburse—50 per cent of the taxes that were collected, provided the province consents to appear before the minister and be blessed. And then it is claimed that this is not an infringement on provincial education.

Well, Mr. Chairman, I say this amendment is worse than the first one, as far as provincial autonomy is concerned; it is argued that provinces are using moneys granted by the federal government in some provincial projects without stating the fact. Can you imagine that the federal government will give justice to the provinces in reimbursing the moneys due under the constitution and that they will then be called to go before the entire population to say: The federal government has been a Santa Claus to us, they have given us 50 per cent.

No, Mr. Chairman, we do not see things that way. We are not asking the federal government to be simply equitable and to return to the provinces the moneys to which they, the provinces, are entitled; we go further, we demand that the federal government get out of provincial taxation fields. We shall have to demand it for a few more years, but inevitably, they will be forced out by circumstances. How right it is to say: Who pays the fiddler calls the tune. The government claims to be paying the provinces and will try to assert itself and say: You will now do this and that, or otherwise, you will get nothing. They claim the provinces are free, but it is a case of take it or leave it. Believe or die. You are free to accept but if you refuse, you get nothing. That is the way things are done in Russia.

Mr. Chairman, I say that this amendment must not be voted by parliament. It is worse, it is more socialistic than the first, because it concerns education and our group is violently opposed thereto.

[*English*]

Mr. Nasserden: Mr. Chairman, we have heard some fantastic proposals during the past three years from the other side of this house, but never before have hon. members over there come out with such a barefaced proposition as is contained in the amendment proposed this evening. This parliament is set up to try to bring forward legislation which will benefit the people, rather than to attempt to bring forward legislation that will reflect the beneficence of any particular group here. It is certainly fantastic on the part of the hon. member for Kootenay East and the hon. member for Vancouver-Burrard to try to suggest that our objectives at this particular time should involve informing the people of Canada that we are a great bunch of fellows because we are contributing 50 per cent of money in respect of a certain piece of legislation, particularly at this time when parliament is in the straits it is in today and when people are wondering why so much time is wasted.

Why should we be bogged down at this time by this kind of proposition, emanating from the government side of this house? I believe the hon. member for Simcoe East presented a valid argument this afternoon. I do not intend to take up any more of the time of this institution discussing a fantastic proposition—one which may be considered almost silly.

Mr. Deachman: Mr. Chairman, let me remind the hon. gentleman who has just spoken that the amendment under consideration was moved by a private member and does not necessarily contain ideas that are shared by everyone on this side of the chamber. Although I am a colleague of the hon. member and a next door neighbour of his in the city of Vancouver, I do not happen to hold the same views in respect of his amendment.

Let me deal for a moment with what we are expected to do in this chamber. This is the federal parliament of Canada and we are charged here with the responsibility of doing certain things in the national interest. We are charged with raising the standard of living of Canadian people through various welfare programs thrashed out in this chamber. We are charged with building links from coast to coast, such as the trans-Canada highway, in order that Canadian commerce and Canadian people can travel back and forth throughout the country. We are charged with maintaining our harbours, with the operation of ferries and many other things. If we do not fulfil our responsibilities in this regard we will fail Canada. Even though legislatures everywhere in Canada decided not to give us recognition for doing these things, we as Canadians and as members of parliament sitting in this house would in any event have to do them.

• (8:20 p.m.)

Indeed, you and I as Canadians would be proud to do those very things because we would know that in the long run we would be forging the links that made Canada. So I do not believe we can legislate ourselves into any position where there is federal recognition for a shared program and provincial recognition for a shared program. Let me give you an example. A bill brought in by hon. gentlemen opposite during the period they were in power provided some subsidies

for the building of ships. Those subsidies assisted in building about one third to 40 per cent of the ferries which now ply between the mainland of British Columbia and Vancouver island. Let us suppose that we had introduced into that subsidies program an amendment which said there must be some kind of recognition for this 40 per cent contribution. I wonder whether we in this house believe we would not have taken part in the program of linking the mainland of British Columbia with Vancouver island if the federal government has insisted that it would not take part unless some kind of recognition went with it.

What sort of federal recognition would we require? Would it satisfy our needs if a bronze plaque were put on the ferry which said "Forty per cent of the cost of this ferry was put up by the federal government". In the case of the tourists going back and forth it would be a good idea, someone here suggests. Certainly it would, and it would be a nice thing if any provincial government would recognize a federal government contribution and do it willingly, working hand in hand with the federal government in such a shared program.

But I am sure hon. members do not believe that unless this were done we would not participate in such programs, and that we should force it to be done by legislation. Would we be satisfied if the bronze plaque were there, and the tourists dashed back and forth to it from their cars? Would this satisfy the need? Or would we like to hear the captain get on the bull-horn halfway across and say, "Forty per cent of the cost of this ferry was put up by the federal government"? Of course this does not have to be done.

As a matter of fact, what has to happen is that members of parliament in this house, if they want the nation to know what this government is doing in shared programs, must themselves get on the bull-horn and say, "Forty per cent of the work done on this project was put up by the federal government". If we do not do this when we go to our own constituencies, if we do not do it when we get on the platform, if we do not do it when we speak to our own people, it will never become known to them. I can tell members that provincial premiers and M.L.A.'s are not going to tell the people when they are on the vessel, crossing back and forth, and when they come to the bronze plaque, if we enforce its erection, they will put their backs to it and say, "See this fine vessel. It was made and paid for by the government of British Columbia. This is what you get when you come to British Columbia." So I say to hon. members here: Toot your own horns; you do not need a piece of legislation to do it.

Mr. Knowles: Mr. Chairman, I hesitated earlier to raise any point of order about this amendment, lest it might appear that I was merely unhappy about the ruling given on the amendment moved earlier by my colleague from Comox-Alberni. However, the hon. member for Roberval has in his speech, although it was a speech with respect to the substance of the amendment, raised the very point that I would like to ask Your Honour to look at. When the last piece of legislation was before this committee the hon. member for Comox-Alberni moved an amendment which attached a condition to certain payments that would be made by the federal government to the provinces. You, sir, ruled that amendment out of order on the ground that it was irrelevant to the bill, that it was beyond the scope of what was provided in the resolution that preceded the bill.

I ask you, sir, for a better description of this amendment. It proposes the attachment of a condition to payments to be made by the federal government to the provinces. I have re-read the resolution that preceded the bill, and do not see in it any reference to this kind of condition. I do not speak with a great deal of feeling or fervour; I am not blowing the bull-horn, but it does seem to me that at least within the same sitting of the house we should have consistency; and because this amendment looks so much like the amendment that was moved earlier by the hon. member for Comox-Alberni I invite Your Honour's comments on it.

Mr. Cashin: Mr. Chairman, may I speak on the point of order. I can see where superficially the suggestion may be made that this amendment is out of order on the grounds that the previous amendment was out of order; but I should like to point out to you, sir, that clause 7 deals with conditions, and this amendment is substantially in line with those conditions in paragraphs (a) to (c) and is not a departure from principle, as was the amendment introduced earlier today which was ruled out of order by the Chairman.

I think, therefore, that this is merely an addition to clause 7 and does not substantially or in principle go against the intent of that clause. This was not the case earlier; we were

talking about something different in the previous bill which was ruled out of order by the Chairman. Accordingly I would suggest that this amendment is in order, that it is similar to the other parts of the clause. I would urge hon. members to support it on the grounds, not so much from the short-sighted view, I might say, that may have been taken by the hon. member for Vancouver Quadra, or the previous speaker from the other side of the house, interpreting this to be a matter only as it applies to this particular piece of legislation and in that sense interpreted politically, but I would suggest that we ought to take a broader look at the impact, if there is any, of this amendment. Really, in my view, it has to do with the concept of the federal government, and has not really do do with any one particular party in the federal government, because this particular matter is not a political question. What credit a province gives the federal government for a specific project depends upon the political whims of the province. This is something that may change from time to time because governments are not always very permanent.

I would invite people not to look at this matter in the light of what may happen in this particular bill, because I do not think this amendment will do a great deal to bring about any changes or any greater public awareness in this regard. I do not think it will have any substantial effect. In my opinion it is a matter of principle and on that basis I would urge all hon. members to support the bill and would suggest to you, Mr. Chairman, that while the point of order may on its face appear to have some merit, when you examine clause 7 of the bill and the principle of that clause in relation to the amendment before the house, you will see it is different from the precedent cited by the hon. member for Winnipeg North Centre.

Mr. Olson: Mr. Chairman, when you are considering whether this amendment is in order and should be put before the committee I should like you to consider these comments. I express some sympathy to hon. members from British Columbia, from Comox-Alberni, Vancouver-Burrard and Kootenay East, in their cries of anguish that they are unable to keep their people accurately informed as to the participation of the two levels of government.

• (8:30 p.m.)

I am sure all hon. members will have some sympathy for this, because it is a rather frustrating situation not to be able to keep up with the advertising campaigns which are carried on in the provinces so as to keep the public accurately and adequately informed. But to write this into the law and make this a condition before any federal funds are granted to a province is different from interpreting public opinion concerning participation in the health resources fund. For example, we know that the present government spent between $2 million or $2.5 million on advertising the Canada Pension Plan in September and October of last year. It seems to me this is the wrong way of using funds out of the public treasury.

I was really amazed at the statement made by the hon. member for Rosthern, because while you can have some sympathy for the hon. members from British Columbia I do not believe the Conservatives have a case. When they were in office they had no difficulty in getting their message across to the people on the prairies, because I know there were times when it was mandatory that signs be put up on certain projects in Alberta before they qualified for federal grants.

In fact the hon. member for Ontario who is in the house tonight will recall I am sure that when he was minister of labour in the Conservative government it was made a condition that a sign be put up on each of the winter work projects to which the federal government had made contributions, or else a grant was not forthcoming. The name of the minister of public works in the Conservative government has been around the post office building and other public buildings in Medicine Hat while they were being constructed.

I cannot say, Mr. Chairman, that I have many objections to this clause, except that I think it rings a false note to hear a member of the Conservative party complain sanctimoniously about something which they did in exactly the same way throughout the years they were in office. I think that both parties have taken some pretty desperate measures at different times to see that they got adequate credit for what they were trying to do. I think that all this complaining that members of the legislative assemblies and provincial ministers are taking away the credit for the granting of federal funds to certain projects is a lot of nonsense.

I appreciated the remarks of the hon. member for Vancouver Quadra when he suggested that we should feel obliged to undertake these projects whether or not the provinces

give full credit to assistance given by the federal government. I think I would go a little further. I am not sure whether we should refer to these funds as federal, provincial or municipal funds. I wonder whether we would not be better off to refer to them as Canadian funds. Each member of this house would then take upon himself the responsibility of seeing to it that his own people are adequately and accurately informed on each one of the projects.

In closing I wish to say that I appeciate what was said by the Minister of National Health and Welfare, that he does not consider this to be a matter of confidence. He went even further than that and said that there were provisions in this bill, regardless of this amendment, which would make it incumbent upon the governer in council to make regulations in this regard. I believe he was not quite sure how the conditions contained in this amendment, even if it were passed, would be met. I am a little concerned about that. What will the conditions be?

Will there be a requirement that a big sign be put up informing the public of the share of the assistance provided by the federal government, or that advertisements be made through the media of newspapers, radio and television such as was the case with the Canada Pension Plan? If we accept this amendment, the minister will oblige the provinces to provide him with an agreement, the terms of which shall be approved by the minister, regarding the way in which the provinces will make this information public. I think it may be desirable for the federal and provincial governments to put up a sign for the duration of the construction period regarding the share of the contribution in the project, as is the case with most of the provisions in Bill C-199. I think this amendment is going a little bit far and no clear explanation has been given regarding how these provisions will be met. On these grounds I find myself unable to support it.

Mr. Baldwin: I have very few comments to make. First of all I will say that I do not feel I can support this amendment. The main reason for my reluctance in supporting it is that I consider it to constitute a downgrading of the capabilities of hon. members opposite. From time to time we have to take issue with them and set them on the path of righteousness, which is quite frequently required. I think it is unfair to suggest that hon. members opposite are not capable of fully exploiting the situation by telling the world about the few meagre accomplishments for which they have been responsible. There is so little they can talk about that I am quite sure they will have a great opportunity for doing so in the next election; and having been through several elections with candidates representing the party opposite I know very well how capable they are. I am not only speaking of the things they have done but also of things they have not done and things they might do. Finally, let me say, Mr. Chairman, that the abilities of the Minister of National Health and Welfare who is piloting this measure are well known to me, particularly from the statements which have been made from time to time by the hon. member for Cape Breton South.

He has told us of the accomplishments of the minister in describing the efforts of the government in regard to measures which they contemplate taking. For this reason I think it would be quite improper for me to approve this amendment, because in voting for it I would in effect be downgrading the really artistic accomplishments of hon. members opposite when they come to deal with matters of this kind.

Mr. Gray: First of all I should like to deal briefly with the point of order that has been raised. One of the hon. members opposite questioned the validity of the amendment. On the grounds that the amendment was not covered by the resolution I would suggest to the committee that if this approach is taken we will discover that none of the existing parts of clause 7 of the bill are specifically dealt with by the resolution. For example there is no reference in the resolution to the submitting of information to the minister.

Mr. Ballard: I am confused, Mr. Chairman, as to whether we are still discussing the point of order brought up by the hon. member for Winnipeg North Centre or whether we are continuing the debate on the clause. I think the discussions which have taken place seem to be alternating between one and the other. May I ask the Chairman to establish whether our discussions are in order.

The Deputy Chairman: I thank the hon. member for his remarks and I will ask hon. members from now on to confine their remarks to the point regarding the validity of the amendment that is now before the committee.

• (8:40 p.m.)

Mr. Gray: That, Mr. Chairman, is exactly what I was doing. I regret, in one way, that

the hon. member who has just spoken did not raise this point of order during the remarks of one or two previous speakers, even though I thought their remarks were most interesting and most useful. While I might possibly have had the intention of straying from the point of order during these remarks, I did not have the opportunity of doing so. Perhaps the hon. member for Calgary South has some of the faculties of a mind reader. If that is the case, he will be in a position to make an even more useful contribution to the work of this house on other occasions.

I wanted to say, Mr. Chairman, that there are a number of things in the bill which are not covered directly or indirectly by the resolution. By reference to clause 7 of the bill, aside from the amendment, you will find there are certain things referred to which are not referred to specifically in the resolution on which the bill is based. For example clause 7 paragraph (a) refers to the submission to the minister of a program for the development of health training facilities in a province, and in paragraph (b), to such information respecting health training facilities in respect of which a contribution is requested. If you look, Mr. Chairman, at clauses 10 and 11, you find a reference specifically to the method of operation, and again you will see no specific reference in the resolution to this useful activity.

Certainly if these clauses are in order, and no one has suggested they are not, then I suggest to you that the amendment put forward by my colleague from British Columbia is no less in order. I think the reason the clauses in the existing bill to which I have referred can be said to be in order, in so far as the resolution is concerned, is that they refer to the administration of the fund or the method of administration of the fund in respect of both the federal and provincial aspects. I suggest that the amendment introduced by my colleague from British Columbia is along the same lines. It calls for writing into the law specifically something which I consider very important with regard to the method of administration of this very useful health resources fund.

I suggest, therefore, Mr. Chairman, that the amendment is in order. If it is in order, and if it carries, it will have the effect of helping to make known to the people of Canada the source and application of a large part of their federal taxes.

Mr. Basford: I should like to speak to the point of order. The hon. member for Winnipeg North Centre in raising his point of order drew an analogy between the N.D.P. amendment which was ruled out of order earlier this evening, and this amendment. I suggest there is no analogy. The grounds upon which the N.D.P. amendment to the income tax rebate bill was ruled out of order do not apply to the amendment I have moved.

The N.D.P. amendment to which the hon. member for Winnipeg North Centre made reference was an amendment to a bill which provided a rebate to the provinces, of certain corporation taxes on privately-owned utility companies, and that is all it provided. The N.D.P. amendment went further than that, and provided how these corporation taxes that were being rebated were to be spent. You, Mr. Chairman, confirmed by Mr. Speaker, very properly said that the amendment was beyond the provisions of the bill.

This is not the case here, Mr. Chairman. There is no analogy between the N.D.P. amendment and this amendment. This amendment was carefully drawn within the provisions of the resolution that was adopted the other day prior to the introduction of the bill. The resolution provides for contributions from the fund to the provinces. This amendment was drawn, as was the bill, with the resolution in mind. The bill has provided for a fund and has provided for contributions from that fund to the provinces. Clause 7 refers to three conditions for the payment of contributions from that fund. I suggest this amendment simply provides a fourth condition. Clause 7 is clearly within the terms of the resolution, and the amendment is not, as the hon. member for Winnipeg North Centre argued, outside the provisions of the bill. I say, therefore, it is in order.

Mr. Douglas: In answer to the hon. member for Vancouver-Burrard I merely want to point out that the amendment proposed by the hon. member for Comox-Alberni added a condition relating to the disposition of the corporation taxes which were to be collected from certain private power utilities. His amendment was ruled out of order.

The amendment now moved by the hon. member for Vancouver-Burrard also attaches conditions, conditions which were not in the original bill. We are not, as the hon. member for Winnipeg North Centre said, terribly exercised about it. We simply feel it is unwise

in a single evening to allow any one part of the house the right to move an amendment attaching conditions when already a member on the other side of the house has had an amendment ruled out of order because it sought to impose conditions. Whatever your ruling may be, Mr. Chairman, we thought the inconsistency which in our opinion existed ought to be drawn to your attention. If Your Honour is not ready to make a ruling, I should like to say a word about the proposed amendment.

The Deputy Chairman: Order, the Chair is ready to make a ruling on the validity of the amendment put forward by the hon. member for Vancouver-Burrard. I thank hon. members for the enlightenment which was offered the Chair. Hon. members sought to establish a parallel between the amendment proposed by the hon. member for Comox-Alberni and that put forward by the hon. member for Vancouver-Burrard. The Chair ruled, in the earlier case, that the amendment went beyond the principle of the resolution and the scope of the bill, because there was an attempt in that amendment to regulate expenditures of money by the provinces. In the case of the amendment proposed by the hon. member for Vancouver-Burrard, as the hon. member for Burnaby-Coquitlam mentioned, there are certain conditions attached but they are attached to the federal government in the making of grants of certain sums of money to provinces. This amendment would restrict the federal government, but places no control whatever over expenditures to be made by provinces out of federal payments to the provinces. I therefore declare this amendment is not out of order.

Mr. Douglas: In that case, Mr. Chairman, may I make a few remarks on the amendment. In my opinion, it would be unfortunate if this amendment were to be passed by the committee. For the past 20 years there have been a great many joint federal-provincial projects and, as a matter of fact, many projects which involved federal, provincial and municipal governments. This type of program has been extended to include highways, the development roads, natural resources, water conservation, drainage programs, the construction of old people's homes, housing and a great number of items which are of importance to the people of Canada. I think these joint efforts at all three levels of government justify the expenditures.

• (8:50 p.m.)

If the committee accepts this amendment, we are laying down what I think could be a very dangerous precedent. Is this now to be applied to ARDA, to highway programs, to resource development, to housing for aged citizens, and to half a dozen other items that I could easily mention? I understand the thinking of the hon. member who moved this amendment. It is true that there have been provincial governments which appeared to take deliberate pride in concealing the fact that the federal government had made substantial contributions to a given project. I understand that some members of the federal parliament might be irritated and annoyed when this happens. But also I can think of times when the shoe has been on the other foot, when provincial and municipal governments have been equally exercised when it appeared that one government making a contribution to a joint program sought to take all the credit.

I hesitate to mention a procedure the federal government used to follow, for fear that the minister of health might adopt it again. I can remember when the present Secretary of State for External Affairs was minister of health. When a provincial government received an application from a local hospital board to build a hospital of, let us say, 50 beds, which hospital was going to cost $750,000, the federal government would be entitled to pay at one time $1,000 a head, which would have been $50,000, and later on $2,000 a head, which would have worked out to $100,000—

Mr. Starr: But he was not minister when the $2,000 figure was in effect.

Mr. Douglas: At that time it was only $1,000. It was raised to $2,000 later. When the hospital board made an application to the provincial department of health, if the provincial department of health approved of the application it would agree to pay its share of the cost, after which the application came to Ottawa. Long before any of us were ever informed of what was afoot there would be a press release saying that: "Mr. Martin the minister of health had approved a $750,000 hospital at point X." The contribution of the federal government would have been $50,000, with $350,000 coming from the provincial government. This would still leave some $350,000 to be put up by the municipality.

I never objected to this procedure because I did not need to be annoyed. The hospital boards and local municipalities which were

putting up $350,000 as against the federal government's $50,000 were sufficiently annoyed to quickly advertise the total amount of the federal government's contribution.

I am glad that this sort of practice has been discontinued. I think we should grow up. If federal, provincial and municipal governments each make their contributions, we ought to rely on the integrity and generosity of spirit at all levels of government to give credit where credit is due.

Were this amendment to be accepted, and were there to be no mention of the contributions of local governments—and I will point out that in clause 7, as defined in the definition part, hospitals are included, and these hospitals may be built with the majority of contributions coming from the local people—local governments will not take kindly to legislation which insists that the federal and provincial contribution shall be advertised while the local government's contribution will be completely ignored.

It seems to me, Mr. Chairman, if we were to adopt this amendment we should be demonstrating a degree of childness that is not worthy of this house. I hope that we are prepared to make the most generous contributions we can to any particular joint project, and that those who take part in the program will see to it that those who receive the benefit of the project are fully informed of the contribution that each respective government has made.

Mr. Starr: Mr. Chairman, the amendment proposed by the hon. member for ancouver-Burrard had a forerunner seven or eight days ago when the Minister of Finance, cried, lamented, and wailed in Montreal that the press was not giving sufficient publicity and credit to what this government did. Probably the press has had no solid foundation for giving this government credit for anything it has done up until now. We had the spectacle of the Minister of Finance finding out that buying a newspaper for the use of the government would cost a great deal of money. The government probably felt that by moving the sort of amendment now before us to an act such as this, much trouble and expense in publicizing the government's efforts would be saved.

It is very strange that two weeks ago this same hon. member rose in this house on another bill, which provided for the payment of money with respect to a training program. He tried to leave the impression in the house that what was being introduced was an entirely new bill that this government, through its benevolence, was introducing for the good of the people of this country. It was only when I rose, following his announcement, to point out that what was being introduced was not a new bill, that it had been with us for a long time, and that only amounts were being increased, that the hon. member, and the hon. member for Kootenay East stood in their places and gave the former government the credit for building the technical schools in this country. That was the first time I had heard such an admission from the members of the government.

I am not against any government's getting the credit for what it is doing, but surely this should not be done by way of legislation. If we read this amendment it states:

> The Governor-in-Council shall make regulations prescribing the manner of carrying out and giving effect to paragraph (d) of sub-section (1) of this section in order that the contribution of Canada towards the acquisition, construction and renovation of health training facilities and research institutions within the provinces shall be acknowledged in a manner approved by the minister.

As soon as the order in council envisaged is signed, I can just visualize the tremendous numbers of public relations people who will get to work across this country, publicizing what this benevolent government is doing, in the same manner as they publicized the Canada Pension Plan in every newspaper—the taxpayers had to pay for that—and in the same manner that that program was sponsored by the hon. lady who is now Secretary of State.

This sort of thing has to stop. I think it is up to the members of the government to make sure that their stories get across to their constituents and to the people of Canada. But they should not do that by smuggling such publicity into legislation which is meant to bring some good to the people of this country.

I have been studying the government during this session very closely, and I have come to the conclusion that today's performance is a very good example of how members of this government can mess up the progress of business in this house far more effectively than anyone else could. This, I might point out, has nothing to do with the opposition.

I think we have come to the stage now where we on this side of the house have adopted an attitude of responsibility in seeing that this government gets some work through the house. We find ourselves in a position

where, for one hour, because a backbencher rose in his seat and not one minister stood up trying to point out the error of his ways, the time of the house has been wasted. We almost had this piece of legislation through.

All I say is, let us have some good, sound reasoning from the government side of the house, let us try to run this country. You are the government, and if you are not capable of running the country, then tell the people of Canada that you are not capable of so doing. Let us stop all this nonsense. Let us quit playing around. Let us quit playing politics with legislation in this house.

Mr. Deachman: Could I ask the hon. member a question? Will he say to the house that if his party were the government of this country it would not permit backbenchers to pass amendments, and to question government policy?

Mr. Starr: Not at all, provided what was raised had the merit of common sense. But we have not seen that today.

Mr. Saltsman: Mr. Chairman, I have some brief remarks to make about this resolution. I make them because I think this is a serious matter, and that this resolution, if carried, would do great damage.

• (9:00 p.m.)

I think it introduces a needless irritant into what is already a difficult situation in the field of federal-provincial relationships. The hon. member seems to ignore the fact that many of these programs are supported only under duress by the provinces, and that the passage of such legislation as this could, in the case of some provinces, confirm their worst fears and lead to increased demands to collect their own revenues and go their own way.

To my mind this is a most dangerous piece of legislation. It arises perhaps from local pique in some areas of Canada. I fail to see the merit of foisting it upon the whole country. I have seen evidence of this petty kind of thinking at municipal level. Councils say: We are not going to be responsible for raising funds needed by boards of education; let them raise their own. Surely we are bigger than that in this house, and surely we need not descend to such petty levels, pitting the provinces against the federal government. I believe the hon. member who put this forward is preoccupied with public relations rather than the substance of the legislation, and for this reason I hope the amendment will not be adopted.

[*Translation*]

Mr. Mongrain: Mr. Chairman, if I understand correctly, the purpose of this bill is to ensure that the people will credit the government with the blessing bestowed upon them.

Of course, I understand—and I thank the member for Vancouver Quadra (Mr. Deachman) for his intervention—that since political parties are soulless and will never go to heaven, they must be rewarded in this world. Such concern probably does credit to the member for Vancouver-Burrard, since he shows himself loyal to the party by assuring it that Canada will find the best legislation in the best interests of all.

But the fact remains, it seems, that the mover and seconder of this amendment overlooked two or three main things. First of all, what does this amendment mean? Does the issue actually concern the federal government or rather the provincial government? What is involved, for instance, education or health? Those matters should nevertheless be cleared up.

So then, when education or health are involved, and under the constitution these are provincial fields, is the federal government well inspired to tell the provinces: I am giving you a pittance, and setting a proviso upon its use? I think that those of our colleagues who referred to federal-provincial relations were perfectly right. If this comes under the jurisdiction of the federal government, let it fulfil its responsibilities without requiring the provinces to discharge them. If, on the other hand, this is a matter of provincial concern and if the provinces feel they are incapable of coping with it, let us then come to an agreement, by mutual consent and unconditionally, and let not the provinces be required to publicize the federal government.

On the other hand, Mr. Chairman, as an independent member—I am at liberty to say so—when I hear the good and great Liberal party or the good and great Conservative party mentioned by party supporters, I say to myself: There is quite a bit of truth in this, because the two parties have done much for the country. But if the legislation is going to contain a clause to ensure that the provinces which are being reimbursed money that is normally theirs and that they could have collected by themselves, and if the further obligation is imposed upon them to advertise

the party or the government in power, I say that this goes somewhat beyond the limits of decency and that the party at the helm of federal affairs, whether the Liberals of today or the Conservatives of tomorrow should be sufficiently conscious of the loftiness of their own intentions and purpose, and of the disinterestedness of their devotion to the public weal, to refrain from demanding that the provinces be further required to conduct their publicity.

Furthermore, this publicity would always be unconvincing and, in certain circumstances, it could boomerang against those who have asked for it. I have great trust in the sense of values and analytical minds of all the members who make up the government in power today or that which will be in power tomorrow, since it must be presumed that under the rules of the game, it will not always be the same. I have much greater trust in the influence that each member on the government side can exert in his own respective constituency by telling his electors that the government has accomplished for the common good, than in what could be required by a piece of legislation.

It was said a short time ago that national unity cannot be achieved by legislation. As far as I am concerned, I think that gratitude to a political party can only be achieved by facts, by legislation beneficial to the common weal, which will accumulate during the months in power and which will exert a much greater influence on behalf of such party than anything we are liable to add to the legislation.

Furthermore, Mr. Chairman, I see something in the amendment which tends to confirm what I say and what others have said before me, and that is that the governor in council shall make regulations prescribing the manner in which the paragraph is to be implemented and enforced. I shall not impose the rest of the paragraph upon the house. "Shall make regulations". In substance, if my understanding of the legislation is correct, we are reimbursing until such time as the provinces are in a position to administer their own affairs, or we are reimbursing because some provinces recognize that they are not in a position to provide for the common good in this area, but that they need the co-operation of the federal government. We are, to a certain extent, returning the sources of revenue which essentially belong to the provinces, but this we do with the proviso that they will cense the government and sing its praise.

I say this is not on a par with the reputation of the government and I do not exclude the party not now in power, for I have studied the history of this country and have noted that both parties have done great things for the country without having to require, through legislation, that their praises be sung. And it is to the honour of the members of the party in power who have spoken in this debate and who have objected, to have shown precisely such high-mindness, disinterestedness and concern to do well, in short, to do the best for the common good, without forcing the provinces to sing praise.

[*English*]

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

• (9:10 p.m.)

Amendment (Mr. Basford) negatived: yeas, 10; nays, 67.

Clause agreed to.

On clause 8—*Advisory committee established.*

Mr. Brand: Mr. Chairman, this clause provides that an advisory committee be established consisting of 11 members, ten appointed by the lieutenant governors in council, and the eleventh being the deputy minister of national health, to serve as chairman of the committee. Would the minister consider providing for the statutory representation of those vitally involved in the problem of health education, such as the Canadian Association of Medical Colleges, the Canadian Hospital Association, the Canadian Nurses Association and the Canadian Medical Association?

In view of the stated purpose of the bill to co-ordinate these groups and use their ideas, would it not be wise to include statutory provision for their representation? I agree with the provision presently being made to give provincial representation, but I am wondering about national representation from the groups I have mentioned. I would like to hear the minister's views on this. Incidentally I am prepared to move an amendment but would like first to hear from the minister.

Mr. MacEachen: The matter of representation from professional associations was fully discussed at the conference of ministers of

health in Ottawa early this year, and the unanimous recommendation of the conference was that the advisory committee be confined to representatives of both the provincial and federal governments. The ministers were fully aware of the representations made on this point, but that was their unanimous conclusion.

In the operation of the health resources advisory committee we propose to rely fully upon the advice that will be forthcoming from the professional associations, which will be available to that committee through a system of subcommittees.

Mr. Rynard: Can the minister say what the personnel of these subcommittees will be?

Mr. MacEachen: As my hon. friend is aware there are a number of professional associations interested in the question of health education, and the ad hoc committee that produced the report which was the basis of action by the conference of ministers included, in addition to the provincial representatives, representatives from the Medical Research Council, the Association of Canadian Medical Colleges, the Canadian Dental Association, the Canadian Hospital Association, the Canadian Nurses Association and the Canadian Medical Association. It would be from this group of professional associations that membership of the subcommittees would be drawn, with possibly additional representation from other professional groups in the broad field of health.

Mr. Rynard: Then, in effect, all these professional bodies would be covered, including university heads, the heads of medical faculties, and people from the nurses association?

Mr. MacEachen: I think I can assure my hon. friend that that will be the objective and that it will be carried out.

Mr. Brand: In view of what the minister has said and his assurance that the groups I have mentioned, in addition to others, will have representation on the subcommittees, I shall not propose an amendment as I had intended to do.

Mr. Douglas: I agree with the minister that the health resources advisory committee should be small, and that there must be technical advisory committees composed of persons with special knowledge and special training, representing the various health professions and health activities, but may I ask him whether there is any authority in this bill for the payment of the expenses of these committees?

Mr. MacEachen: Mr. Chairman, I believe that we have authority in the bill to set up subcommittees. The report of the ad hoc technical committee recommended that expert subcommittees be appointed as deemed advisable by the advisory committee, to provide that committee with qualified technical advice. If I am not mistaken clause 10 gives the advisory committee general powers to make rules for the conduct of its activities, and this would be broad enough to empower it to establish subcommittees to assist it in its work.

Mr. Douglas: And adequate authority to pay them?

Mr. MacEachen: Yes, Mr. Chairman.

Clause agreed to.

Clauses 9 to 13 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? By leave now?

Some hon. Members: By leave now.

Mr. MacEachen moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (9:20 p.m.)

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

He said: Mr. Speaker, in moving the second reading of this particular bill I am going to begin by saying that if this legislation is adopted by parliament I am confident it will provide a sound basis for the development by the provinces of comprehensive assistance measures supported by preventive and rehabilitative welfare services.

Before dealing with specific features of the bill, it may be helpful to put the total program into perspective and to relate it to the people who will benefit from it. Almost one million persons receive direct aid through the various programs which come within the scope of the Canada Assistance Plan. These include some 85,000 persons still covered under the old age assistance program, 8,000 receiving blindness allowances and 55,000 receiving disabled persons allowances. Also included are 200,000 needy mothers with dependent children, 600,000 other recipients of assistance, the cost of whose assistance now is shared under the Unemployment Assistance Act, and 50,000 children in the care of child welfare authorities.

In introducing the resolution to the bill, I stated that the new cost anticipated under the plan would be some $85 million in the current fiscal year. These funds would be both for improving programs supported through existing federal-provincial legislation and for extending federal support in areas where it is not now provided. These new expenditures will bring the total federal outlays on public assistance and welfare services to more than $250 million.

Expenditures, of course, could exceed estimates, depending on the rate at which the provinces are able to implement improvements and extensions in their programs. If we add the provincial expenditures to the federal figures, the total commitment for public assistance and welfare services in Canada in 1966-67 will amount to well over $500 million. I give these figures to point up the scope of the program under condideration and to indicate that, in terms of the dollar amounts involved and the number of people directly affected, this is a program of substantial size and importance.

In moving second reading, I should like again to refer to the extent of federal and provincial agreement attained on the content of the plan as set out in the bill. The Canada Assistance Plan was discussed at two federal-provincial conferences of welfare ministers convened by my predecessor in April 1964 and May 1965 and at a third meeting which I chaired in January 1966. Through there meetings we were able to discuss proposals concerning assistance and welfare services in the light of provincial experience and to work out a mutually acceptable approach for this new program. At this time I should like to acknowledge the contributions made by the various provincial ministers in the development of the plan.

The legislation that you have before you is divided into five parts. I think it would be of interest to members if I were to deal with the major parts of the bill in a general way. Part I deals generally with assistance and welfare services, part II is concerned with Indian welfare, part III with work activity projects, and parts IV and V make amendments to certain associated pieces of legislation.

In considering part I, I should like to centre my remarks around two of its distinct features; its coverage of assistance for persons in need and its provisions for encouraging the improvement and extension of welfare services. In referring to assistance, I should like to draw attention to the definitions of "assistance" and "persons in need" as contained in clause 2 and to the proposed terms of agreement as set out in clause 6.

The definition of assistance in the legislation sets out the scope of benefits for persons in need that may be supported through the plan. The core of this definition is contained in the reference to basic requirements; that is, the times that are essential to maintain even a minimum standard of living. These are food, shelter, clothing, fuel, utilities, household supplies and personal requirements. Assistance programs whose benefits fail to cover these items cannot be thought of as adequate and it is proposed, in signing agreements under the plan, that provinces will agree to provide assistance in amounts which take into account individual and family requirements for each of these items.

Some concern has been expressed by hon. members about the position that the plan will take on standards in assistance programs. No doubt they have in mind the contribution of the old age assistance, blind and disabled persons allowances programs in securing a universal benefit standard in all parts of Canada. However, I think we must recognize, when benefits are being related to requirements, that variations in costs of living and in regional and individual circumstances rule out a definition in terms of a fixed number of dollars.

We are hopeful that the emphasis on adequacy in the plan, both in terms of assistance and welfare services, and the additional financial support available to the provinces

through the plan, will result in the development and maintenance of high standards. On the basis of our discussions with the provinces, I am confident that they subscribe fully to these objectives.

Hon. members may raise the question of standards as they relate to the role of municipalities in the plan. I would point out also that the assistance programs shareable under the plan are increasingly carried directly by provincial departments of welfare and in some provinces, including Ontario, steps are being taken to group smaller municipalities into larger units for the administration of welfare programs. The plan will make funds available to improve the staffs in municipal as well as provincial welfare departments.

Hon. members may have noticed the reference recently to the measures being introduced in the Ontario legislature by Hon. Louis Cecile, the minister of public welfare, in anticipation of the enactment of the Canada Assistance Plan. A number of these provide for more generous sharing with the municipalities in the costs of welfare programs. With federal funds assisting for the first time in staff improvements and also being used to relieve municipalities of some of the onerous costs of welfare, we have every reason to expect that those needing assistance will have their needs met with the dignity and impartiality that are the marks of a good social assistance program.

• (9:30 p.m.)

In addition to the basic requirements referred to earlier, the legislation will support the provision of other benefits as they are required. I might mention particularly items of special need, and items incidental to carrying on a trade or other employment. The latter provision illustrates the rehabilitative approach of the plan. This rehabilitative emphasis is also evident in its coverage of welfare services, such as family counselling or homemakers services. The inclusion of provisions of this kind adds flexibility to the plan and raises it above traditional assistance programs which tend to have been limited to minimal aid. The plan will be available to meet need as it occurs and will support the provision of assistance in a manner and in amounts calculated to help overcome the problems that led in the first instance to the need for assistance.

I would also like to make particular reference to the coverage of health care services. This may include a comprehensive range of services such as medical and surgical care, dental, optical and nursing services, and drugs. This is important, not only as part of the rehabilitative emphasis of the plan, but also for persons who may need long-term income support because of age or disability.

The definition of "persons in need" in the legislation indicates its coverage in so far as the provision of assistance is concerned. The definition identifies the major causes that require persons to turn to some means of public support by referring to inability to obtain employment, loss of the principal family provider, illness, disability and age. The reference to unemployment carries forward a major portion of the unemployment assistance program, while the loss of the family provider incorporates coverage of mothers' allowances paid, among others, to widows and deserted mothers.

Hon. members will be aware of the concern that has been expressed in this house over the years concerning the test of permanent and total disability under the disabled persons program; this was referred to in the debate just the other day. The references to illness and disability in this definition will extend coverage to any person who, because of disablement of any kind or extent, is unable to support himself and his dependants. This will remove the necessity of meeting the medical test of total and permanent disability that now is required under the Disabled Persons Act.

Mr. Winkler: Mr. Speaker, may I ask the minister who the authority will be to make that determination?

Mr. MacEachen: The authority will, of course, be a provincial administration which determines that a person is in need, and this will be applied not as now, in the form of what many hon. members have regarded as a rigid medical test.

The definition also provides for the determination of eligibility on the basis of a needs test, which is a test that takes into account budgetary requirements as well as resources. There have been suggestions by some hon. members that the reference to a needs test as opposed to a means test in determining eligibility for assistance is simply a question of semantics. I would like to emphasize that the distinction is, in fact, a real and important one.

I think I can best explain the distinction by reference to the categorical programs of old age assistance and blind and disabled persons allowances which employ the means test. Under these programs, the factors considered are the income of the recipient and his assets computed as income, the income ceilings that are built into the programs, and the maximum benefits which now are $75 per month. If the needs of the recipient exceed the amounts that can be provided within these ceilings, there is no way of meeting them except through some other measure. Where the recipient has dependants, the problem is compounded since these programs were not designed to take adequate account of such additional needs.

Under a needs test, on the other hand, assistance payments can be related to the requirements of individuals and families. Several advantages are gained by this. The benefit provided can take into account the family size and composition and provide for any special needs that it may have, as well as the regularly recurring ones. At the same time, rates can continually be adjusted to reflect changes in the cost of living. The needs test approach implies the development and use of community budget studies as a means of relating assistance rates more closely to adequate living standards. Anyone who is aware of the great variations in rent charges as well as other budgetary items from one individual or family to another, as well as from one community to another across Canada, will appreciate the significance of this approach.

I would like to comment briefly on the provisions of the plan concerned with institutional care. The plan carries forward the coverage of welfare institutions or "homes for special care" that is now provided under the unemployment assistance program. The majority of these institutions are homes for the aged and nursing homes. While the number of persons who require care in such homes is comparatively small, the costs involved can be quite high, sometimes more than $300 per month. The plan, in addition to basic care, will support special rehabilitative measures such as physiotherapy and occupational therapy undertaken as part of the institutional program.

Mr. Winkler: I do not wish to interrupt the minister's statement, but again I should like to have a point clarified. When the minister refers to nursing homes, will this mean nursing homes accredited by provinces?

Mr. MacEachen: Yes, Mr. Speaker, in so far as I understand the situation, and I will be glad to clarify that point later.

In this connection, I should also refer to the fact that through the plan federal contributions may be made toward the cost of home care and similar services to persons in their own homes. This feature of the plan will help to reduce the pressure on welfare institutions and will enable many persons to remain in their own homes who would otherwise need institutional care.

Before leaving the definition of persons in need, I would like to refer to the provisions of the legislation as they relate to child welfare. Under the plan contributions will be made towards the costs of maintaining children who are the responsibility of child welfare authorities, and of foster children who are being assisted. Members will be aware that in some areas this support is provided through provincial departments of welfare, while in others it is the responsibility of children's aid societies. The costs covered will include all of those indicated in the definition of assistance, among them maintenance costs, any special needs that the children may have and costs of health care.

There has been a good deal of interest lately in the question of institutional care for children, particularly for the retarded and the emotionally disturbed. The bill covers institutions for children which are under welfare auspices and where the program emphasizes social rather than medical treatment services.

I come now to the provisions of the legislation that are concerned with welfare services. It is the intention that these provisions should be used to support a broadly based attack on the causes and effects of poverty, child neglect and dependence upon public assistance. In this way the plan can be given a preventive and rehabilitative emphasis that has been lacking in federal-provincial public assistance measures up to the present.

In discussing welfare services, I would like to comment particularly on some of the kinds of service that will be covered. An essential component will be rehabilitation services such as counselling, casework, assessment and referral designed to help those with family and social problems find solutions to them before they lead to family breakdown and dependence on public assistance. They will

also encompass efforts to break the cycle of dependency that exists in some families, and enable those receiving assistance to regain their capacities for self-support. We are hopeful that these services will be effective in enabling such persons to make use of the other community resources, such as those being developed through the department of manpower and immigration.

• (9:40 p.m.)

Also included are child welfare services, including child protection, adoption services and supervision of foster home care. In addition to supporting higher levels of service in these areas it is our hope that the plan will be used to develop an integrated approach to the solution of family problems, be they economic or otherwise.

A somewhat different group of services are those such as homemakers and day-care services which can play an important supportive role. I have already referred to the contribution that will be available for home care programs as an alternative to institutional care. Through the use of improved day-care services it is our hope that many mothers will be able to contribute to their own support when it is their wish to do so.

During the debate on the resolution, reference was made to the critical shortage of trained staff to man the welfare services. Federal support for staff training, both on an in-service basis and in schools of social work, has been available through the welfare grants program since 1962. Contributions will also be available for staff training and development under the plan. Also included will be costs of consultation, research and evaluation in recognition of the part these functions play in developing programs to meet changing needs.

Support under the plan will extend to welfare services that are offered by what are referred to as provincially approved agencies. In addition to provincial departments of welfare, they may include municipalities and voluntary organizations that have been given responsibility for providing any of the kinds of service to which I have referred. In this way the provinces can recognize that, along with welfare departments, voluntary agencies can play a significant part in a total community effort. As I mentioned earlier, an important emphasis in the plan is upon extension and improvement of welfare services.

[Mr. MacEachen.]

In line with this, the formula in the legislation provides for contributions for costs in excess of those incurred during 1964-65.

I would now like to turn briefly to the provisions of the bill relating to Indian welfare. Members of the house will be aware of the federal-provincial discussions that have taken place with a view to extending provincial services to Indians on the same basis as to other residents. The objective in part II of the legislation is to secure access to the welfare services being offered to the balance of the population for those Indians to whom they are not now available, or who receive them under a number of ad hoc agreements. The programs that part II contemplates include financial assistance, institutional care, child care and other welfare services. The Indians to whom services may be extended include those who are living on reserves, on crown land or in territory that does not have municipal organization.

As I indicated during my earlier remarks, the plan will provide authority to enter agreements under which the provinces can assume administrative responsibility in this area without incurring burdensome costs. An agreement format tabled on January 19 indicated the approach that we have proposed to the provinces. Under it, the federal government would bear the full costs of providing assistance and welfare services for Indians to the extent that these exceed the per capita costs for the balance of the population in a province. Costs up to this level will be shared on a matching basis. An agreement covering assistance and welfare services has already been entered into with the province of Ontario and we anticipate that other provinces will take the same step.

I would like to emphasize, as has been done on previous occasions, that welfare assistance and services will not be extended to Indians under such an agreement unless the council of a band involved has indicated its consent. On the other hand, provinces will not be expected to extend welfare services to Indians on reserves or in unorganized territory unless they have entered into an agreement under this part. The provinces will, of course, continue as in the past to provide assistance and welfare services to Indians who have established residence in municipalities.

I would like now, Mr. Speaker, to refer to the provisions of the legislation that are concerned with work activity projects. Welfare authorities in several provinces have

expressed the view that there is a need for new ways of helping persons who may appear to be able to work but who, because of personal and family circumstances or problems of motivation, are not able to obtain or hold employment or take advantage of the training and rehabilitation resources that are already available in the community.

The types of project that this part foresees will be experimental. We are hopeful, however, that under it measures can be developed through which sound work habits can be attained within a setting which provides counselling and similar welfare services. Similar efforts are being made in other countries; examples are the re-establishment centres which are operated by the National Assistance Board in the United Kingdom and the work experience programs in the United States.

It is also proposed that this part of the plan should be used to provide work for persons with physical or mental handicaps who can be employed if given an opportunity to develop their potential. These will include the retarded and the severely handicapped who can be helped to engage in some form of productive activity. Contributions will be made toward the salaries of personnel operating such projects and allowances paid to participants in them.

Agreements made under this part will contain safeguards to provide assurance that projects are not used to limit the right of any person in need to assistance and provisions under which welfare services will be made available as required. Because of the relationship of these measures to manpower programs, arrangements are included for close co-ordination of the administration of this part of the bill with those services.

Parts IV and V of the legislation have the effect of amending several associated statutes. Significant among these are the amendments to the Old Age Assistance Act, the Blind Persons Act, and the Disabled Persons Act that are referred to in part V. As I have indicated previously, the provinces may if they wish discontinue their old age assistance and blind and disabled persons allowance programs and assist the groups now covered by them under a comprehensive needs test measure coming within the scope of the plan.

Part V covers the steps that this transition may involve. A province may indicate its intention to cease accepting new applications while continuing to provide categorical benefits to those now receiving allowances. Alternatively, a province may cease taking applications and also undertake to transfer those in the existing caseload that can qualify under its integrated program. If the latter step is taken, part V provides that transfers may be made only when the recipient will receive at least as much under the new program as he was receiving previously.

Part IV has the effect of removing from the Unemployment Assistance Act the exclusion of mothers' allowances that it now contains. This change will enable the provinces to receive the funds that the plan provides for assistance to needy mothers with effect from April 1, 1966, and will authorize this reimbursement without waiting for agreements to be signed under the plan.

Part IV also extends the contracting-out provisions of the Established Programs (Interim Arrangements) Act to the Canada Assistance Plan. As I mentioned during the debate on the resolution, this is consistent with existing arrangements since the plan will cover the area now referred to in the Established Programs (Interim Arrangements) Act as the "special welfare program." That program is made up of unemployment assistance, old age assistance, blind persons allowances and disabled persons allowances.

• (9:50 p.m.)

Several hon. members have spoken at length on the question of income support for the aged as it relates to the plan. What has not been recognized in some instances is that the Canada Assistance Plan is a program for persons in need in all age groups.

No modern industrial nation, no matter what other range of social security measures it may have, has been able to dispense with a general social assistance program. Universal flat-rate payments and social insurance programs are in every case complemented by social assistance provisions. Many hon. members of this house, and others before them, have spoken of the need in Canada to improve our social assistance programs as a part of the social security structure. You have before you now a measure that will do just that. We are in general agreement, I believe, that we should do our best to minimize the reliance on social assistance, but that objective must not deter us from proceeding with the development of a sound and effective public assistance program.

This government and others of this party have clearly demonstrated their commitment to the continuing development of universal flat-rate benefit programs and social insurance measures. I need only refer to the record of previous Liberal governments in introducing programs such as family allowances, old age security, unemployment insurance and hospital insurance.

Since coming to office, this government has shown its determination to improve Canada's social security programs. Within the past three years, youth allowances have been implemented and the Canada Pension Plan has been introduced. Expenditures on old age security have been increased from $755 million in 1963-64 to $1,035 million in this fiscal year—an increase of $280 million or 37 per cent in expenditures. This has been the result of improvements in the rate of benefits and the extension of protection to another 100,000 persons heretofore not covered. Before you now is a health resources fund bill, and within a few days you will have the bill for a medicare program.

Thus, while narrowing the scope of need to be met by public assistance, we are taking positive action to improve assistance and welfare service programs through the legislation before you.

I have already referred to the support and endorsement of the plan that has been given by the provinces and to one example—that of Ontario—of steps being taken by provinces in anticipation of this legislation. I could cite many other examples of such action. Newfoundland increased its social assistance rates some months ago in the knowledge that the plan was being developed, and new social assistance acts that will provide for more generous assistance on the basis of need have been enacted by the legislatures of Prince Edward Island, Nova Scotia and New Brunswick. Quebec has introduced a program to provide physicians' services for assistance recipients and has increased its mothers' allowance rates.

The measures being introduced in Ontario include family benefits legislation to provide assistance on an integrated basis as proposed under the plan. Saskatchewan adopted a comprehensive assistance plan on April 1, 1966 and has increased assistance rates. The province of Alberta has adopted legislation for the purpose of encouraging the development of preventive welfare services in the community.

[Mr. MacEachen.]

These are specific indications that the federal commitment to introduce the Canada Assistance Plan has already resulted in action to improve assistance and welfare service programs. They are also indicative of the value of close federal-provincial consultation in planning in the field of social programs.

I think it would be appropriate for me, in closing, to refer to the public support that has been given to the plan. It has been warmly received by the Canadian Welfare Council and its associated body, the Canadian Public Welfare Association, which have stated that they "are pleased to see that Canada is on the threshold of a necessary step in the development of its social security system". A similar view has been expressed by the Canadian Labour Congress, and perhaps I could quote briefly from its memorandum to the federal government, presented in February of this year.

It said:

> We welcome the advent of the Canada Assistance Plan. We consider it to be an improvement over the categorical assistance programs now in effect. We agree that the change from a means to a needs-tested benefit, however subtle the difference may seem, will provide greater opportunities to provide an adequate benefit to those who will require assistance. We commend you for your decision to share with the provinces in the costs of allowances for needy mothers and medical care for the indigent, as well as the cost of improving administrative standards and of strengthening those rehabilitative services which will help to restore social assistance beneficiaries to a position where they are self-supporting.

In asking for the support of the house for second reading of the bill, may I express my confidence that it will bring about the development of welfare programs across Canada that are humane, effective and have a positive emphasis.

Mr. Douglas: May I ask the minister to clarify a point with reference to provinces which provide health services for categories such as the recipients of old age assistance and mothers' allowances who, because they are in those groups, are automatically in need. Will this legislation now make it possible for the federal government to share the cost of those programs in its entirety or will it deal only with each individual case?

Mr. MacEachen: I am not sure whether I understand the question put by the hon. member, but it is proposed that the federal government will share in the whole range of medical services for any person in receipt of assistance on the basis of need.

Mr. Douglas: I recognize that the federal government will share any medical services given to an individual in need, but will it share in the program undertaken by the provinces to provide health services to an entire category, for instance health services provided to recipients of old age assistance or mothers' allowances?

Mr. MacEachen: Obviously there is a relationship between this program and the advent of the medical care program for the total population. It is expected that when medicare is available in general and when the federal government will share in providing health services to the total population, the contributions under the Canada Assistance Plan will be suspended, but the coverage for persons in need will be continued and will be shared by the federal government in every province until a medicare program comes into effect.

Mr. Rynard: Mr. Speaker, may I call it ten o'clock?

Mr. McIlraith: I wonder whether the hon. member will be agreeable to continuing his remarks at this time?

Mr. Rynard: I move the adjournment of the debate.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, tomorrow I should like to submit to the house a number of bills with the idea that they could be sent to the other place for consideration by them as early as possible. I would, therefore, list the following items for consideration tomorrow: item 45 on the order paper, the Canada Assistance Plan bill; item 77, the second reading and other stages of the Atlantic Development bill; then item 62, the Canadian Film Development Corporation bill; item 76, the crop insurance bill; item 49, the public utilities transfer tax bill; item 55, The Company of Young Canadians bill; item 62, the national arts centre bill; item 51, the public service and other superannuation acts bill; item 72, the Exchequer Court bill; then the Canadian livestock feed resolution and legislation.

I should like to ask that tomorrow hon. members be prepared to take these measures not necessarily in the order I have indicated, so that if there is an opportunity of having some bills go through fairly quickly early in the day to be dealt with in the other place we can do so. This would then leave two items, the medicare resolution and the Bank Act resolution to be dealt with. If we could follow that program, I think it would be helpful.

Mr. Starr: May I just say a word about this? If the government house leader would not take the Canada assistance bill first, but rather others that might go through quickly and get them over to the other place, then that would leave the Canada assistance bill for later in the day.

Mr. McIlraith: Later in the afternoon; I would be quite agreeable to that, if we could get some of the smaller bills over to the other place.

Mr. Knowles: If we are going to do that, could we not be told tonight which would be the first three or four pieces of legislation with which we would be dealing tomorrow?

Mr. McIlraith: Yes; other than the Canada assistance plan, we would take perhaps the Atlantic Development Board legislation; The Company of Young Canadians bill; the national arts centre bill; third reading of the public utilities transfer tax legislation; and the small bill concerning the Exchequer Court. I hope some of the legal members here would take a look at it because it is a very simple measure and could go through quickly.

Mr. Knowles: Is that the understanding, that we will take those five and then revert to the Canada assistance plan?

Mr. McIlraith: Yes, it would be my idea we would revert to the Canada assistance plan some time in the latter part of the afternoon.

Mr. Bell (Carleton): Why not get the superannuation bills through?

Mr. McIlraith: If we take those five first and then we could bring forward the Canada assistance plan bill. Hon. members appreciate what the problem is. We want to try to get as many bills as will not take a long time to debate here completed, and over to the other place tomorrow afternoon.

PROCEEDINGS ON ADJOURNMENT MOTION

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

COMMONWEALTH RELATIONS—WEST INDIES—REQUEST FOR STATEMENT ON CUSTOMS UNION

Mr. David MacDonald (Prince): Mr. Speaker, I rise to put again a question which is of considerable importance I think to this

country. I wish to ask what action the government contemplates taking in the immediate weeks ahead with respect to a great opportunity that our country faces in terms of its international trade.

On June 13 I asked in the house whether the Prime Minister, in light of the meeting to be held shortly in Ottawa with representatives and heads of government of the British West Indies, could not tell us whether the government was contemplating some form of customs union with the islands involved.

At a later date we had one hour's debate during private members hour about this, and we discussed in part the importance of such a proposal to the future economic trade of our nation, and to the future development of the islands known as the Little Eight, namely the Leeward and Windward islands of the British West Indies.

Perhaps I should put on the record the names of the islands concerned. They are the islands of Antigua, St. Kitts, Montserrat, Dominica, St. Lucia, St. Vincent and Granada. The land area of these islands is about half that of Prince Edward Island. Their population is close to 700,000.

As I say, there is to be a conference in Ottawa between July 6 and July 8. It is believed by many of the representatives of these islands that there will be considered in Ottawa the possibility of far reaching economic and customs ties. I know for a fact that the Minister of Transport has made at least three trips to the islands and has shown considerable interest in the proposal I have referred to. I believe he has given encouragement to the whole idea.

Indeed, at the conclusion of the private members hour dealing with this question the other day the Minister of Public Works said this:

> With your indulgence I should like to say something about the subject matter of the debate that has taken place in the last hour. The government will take cognizance of the apparent unanimity in respect of this important subject matter. It is of importance and concern to the government and is receiving active consideration. I might say that I have a personal interest in this subject, having had a somewhat similar motion on the order paper some years ago.

I heartily support the minister's interest.

Because we have this interest that has been expressed in this way, and because it will not be long before these islands have virtual independence, it is of great importance that we be assured publicly that the government of

Canada is moving in the direction that I have suggested. I can see that if the government takes far reaching action in the early days of July, without first having informed public opinion, the public might not be prepared for this kind of activity and might resent it. We all know what happens when public opinion is not informed and directed in the right way.

Time is running out. Representatives of the West Indies governments have come to Canada, almost cap in hand, in order to determine what our government's position on this matter is. We must have a statement either from the Prime Minister or from his representative. We must be put much more into the picture as to what action our government plans to take in this regard.

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): Mr. Speaker, the hon. member for Prince has expressed amazement in his suggestion that the government has been somewhat laconic about its relations with the commonwealth countries of the West Indies. I will try to put an end to that amazement by stating the following:

The high importance attached by the present government to Canada's economic relations with the commonwealth countries in the Caribbean is well demonstrated by the initiative which it has taken in co-operation with those countries to hold a meeting of prime ministers and chief ministers from the commonwealth Caribbean countries and Canada in Ottawa in less than a fortnight's time. At the forthcoming conference much attention will be given to the question of the best basis for trade relations between that area and Canada.

• (10:10 p.m.)

The 1926 agreement between those countries or territories and Canada has served well the interests of all participants in the circumstances which have existed since it was negotiated. The problem of working out the best form of trade relations is not a simple one. A customs union would have important implications of various kinds which would clearly require the most careful examination by all prospective participants. Other arrangements would have different implications. We should be prepared to examine any reasonable proposal. The fact that the economies of the Caribbean countries and Canada are complementary means that the trading potentialities are very considerable. It

is important that these possibilities be developed for the benefit of all the countries concerned.

The political and economic situation has changed considerably since the 1926 agreement was concluded. Any arrangement which might be negotiated now, even more than in 1926, should show full respect for the integrity of all the participants and should reflect the interests of all the countries involved.

At the forthcoming meetings the house can be sure that the Canadian government's approach will be practical and yet farsighted. It will aim to deal effectively with any current difficulties which might be impeding trade. At the same time the Canadian delegation will not overlook any fruitful possibilities for expanding trade to the benefit of all the participants.

ADMINISTRATION OF JUSTICE—MEDICAL ASSOCIATION REQUEST FOR COMPULSORY BREATHALIZER TESTS

Mr. Barry Mather (New Westminster): On June 15 I asked a question on the orders of the day which was ruled out of order by Mr. Speaker. The question was as follows:

> Is the Minister of Justice aware of the action taken yesterday by the Canadian Medical Association in calling for compulsory breathalizer tests for impaired drivers in view of the urgent national problem involved in the slaughter on Canadian highways.

Since that time, in fact almost one week later, on June 21, what appears to me to have been the greatest Canadian assembly of federal, provincial and industrial highway safety experts ever to meet in Ottawa has placed itself on record unanimously in support of legislation for compulsory breathalizer tests.

In emphasizing the urgency of the question I tried to ask I wish to point out that in the six or seven days between the day I asked my question and the day the safety conference approved the breathalizer tests on a mandatory basis, some 90 Canadians have been killed in traffic accidents and some 2,900 injured in traffic accidents. Property damage amounted in those seven days to about $12 million.

It is estimated that between one third and one half of all traffic accidents involve people who had been using alcohol. Breathalizer tests are provided for in the Criminal Code on a permissive basis. They are recognized as being foolproof and accurate when conducted by experts under regulations which are scrupulously fair to those subjecting themselves to the tests. The trouble is that the permissive character of the law at the present time enables the hardened drinking driver to escape their effect. He declines to take the test. In other words, while it recognizes the efficiency of the tests the present law does nothing to put drivers on an equal basis when it comes to taking the test. It does nothing to safeguard the rights of the ordinary citizen but it does something to safeguard the privileges of the drinking driver.

Further to the urgency of my question, I point out that Canada has the world's worst traffic accident rate of all countries reporting to the United Nations World Health Organization. We stand either 25th or 26th on the list. It is notable that the Scandinavian countries, which have much more realistic drinking while driving laws than we have, have a record of traffic safety that puts our country to shame.

In asking the Minister of Justice (Mr. Cardin) if he is aware of the need and the growing pressure for legislation to make breathalizer tests mandatory in cases of impaired driving, I do not do so without having regard for the fact that in some circles there is criticism against this proposal on the ground that it interferes with the civil liberties of the person involved.

My contention, and it is supported by many people in many walks of life, in safety organizations, in the legal sphere, and throughout other states, is that the impartial breathalizer test no more interferes with the individual's civil liberties than do such things as the taking of fingerprints or the mandatory production at the scene of an accident of drivers' licences, or the mandatory inspection of the vehicles involved in an accident. I conclude by urging the minister to be prepared to back up the findings and the wishes of these neutral traffic safety people who met recently in Ottawa.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, I would like to assure the hon. member that we on this side of the house appreciate the importance of the traffic death toll on our highways and of the means that should be taken to try to reduce its incidence. As the hon. member knows, many witnesses were called to the hearings of the standing committee on justice and legal affairs which inquired into this matter. They heard such witnesses as Dr.

Ward Smith from the Attorney General's office in Toronto give testimony on the different aspects of the breathalizer test.

We have also read newspaper reports about blood tests and how much more easily they can be performed now. May I assure the hon. member that the remarks he has made this evening on the subject will receive the attention of the Minister of Justice (Mr. Cardin) and his officials, to whom I shall direct them tomorrow.

IMMIGRATION—APPLICATIONS FOR ADMISSION BY THOSE WITH VISITORS' VISAS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, on June 16 I asked the Minister of Citizenship and Immigration (Mr. Marchand) a question as to when he would be able to announce government policy in respect to the many thousands of non-immigrants who have applied for permanent immigration to Canada and whose status is in suspense, and I welcome the opportunity to expand on that question tonight.

It affects the whole system of immigration and its administration, and it is of great importance to thousands of people now resident in Canada, and their families. A serious administrative mess has developed in regard to this matter.

On March 7, as recorded at page 2323 of *Hansard*, when speaking on the estimates of the department, I raised this same question and said:

> As the minister will have found out, for many months now and perhaps a year or two the government have been saying they were going to make up their mind on what to do in the case of visitors who come into this country as visitors with non-immigrant visas, and apply to stay in this country. As the minister knows, there is a great backlog of cases awaiting decision while the department makes up its mind in respect of what to do with these visitors.

I went on to say:

> This is a serious question because if an immigrant enters in an easygoing way he bypasses those who remain in their country and comply with the regulations in the normal manner.
>
> • (10:20 p.m.)
>
> I appreciate that this is not fair—

I went on to say that there were many many cases in which the department was saying "we cannot decide on your status; we will not let you in or turn you out; we have not made up our mind".

> I hope the minister will be able to come up with a policy in respect of these visitors. I tell the minister it is common knowledge among some ethnic groups that would-be immigrants should not try to obtain an immigrant's visa through the normal channels but rather should gain admittance to this country as visitors because they perhaps may be able to stay here.

Then the minister in reply to this debate on March 7 at page 2327 of *Hansard* said:

> I think that very soon, and I hope that it will be within a few weeks . . . we will be able to deal with this situation under which visiting Canada has now become a normal means of coming as an immigrant . . .
>
> It is a hypocritical situation which explains why in Canada there are probably several thousands, possibly tens of thousands of visitors who came to Canada with the intention of staying.
>
> We shall probably advise you, since it can be done according to the rules, on a policy to deal with this situation.
>
> It is utterly unbearable. Mr. Chairman, as long as I am Minister of Immigration, which will probably not be for long but still while I am, we shall attempt to set up a policy. But once it is drawn up, we shall have to accept it.

It is now more than 3½ months later and the minister has announced no policy. The situation grows worse. We are told there are 20,000 people in this state of suspension, some of them no doubt bona fide visitors, who have come to this country and who after they arrived were offered jobs or became engaged to be married to Canadians, and then changed their minds and decided to stay. However, there are many others who came to this country as visitors because they did not want to come in formally and apply in the necessary manner. When they are here they get a job and are left in a state of suspension. They cannot bring in their families and even though they are planning to strike roots in Canada, they do not know whether or not later on they will be thrown out. I wonder whether it will be possible to throw them out.

This situation is being exploited. Among the immigrants I have heard it said that travel agencies sometimes will say to people, "All right, we will get you a work permit for $50" or "Apply as soon as you come to Canada, and when you are working you pay us $500". I do not know how frequently these things happen, but I have heard of this type of thing quite a few times.

The minister may not be at fault, and of course his charm is such that we hesitate to think he is at fault. However, it is high time that the cabinet of which he is a member made up its mind in respect of this matter. Maybe the minister has made proposals and the government will not undertake them. The

present situation is unfair to those who administer the act. Let the parliamentary secretary ask anybody in this field; it is unfair to those who accept the rules of the game, apply as immigrants and go through all the careful investigation this implies. It is unfair to those whose status is kept in doubt month after month and who are subject to exploitation and often are separated from their families.

I hope the parliamentary secretary will convey to the minister the urgent importance of this matter. It is part of the duty of the cabinet and the government, which has been given responsibility by parliament to deal with this sort of problem and deal with it soon.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I believe the minister and the government, as well as myself with the constituency I have, are aware of the difficulty which flows from the number of non-immigrants who are being left in an indefinite status. It is very unfortunate.

I do not wish just to repeat what has already been said, but I do believe with a good deal of conviction that the decision on this matter which the hon. member is looking for is in fact going to be made very shortly.

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, June 28, 1966

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM U.S.S.R.

Mr. Speaker: I am pleased to bring to the attention of hon. members the presence in the Speaker's gallery of a parliamentary delegation from the Union of Soviet Socialist Republics.

Some hon. Members: Hear, hear.

Mr. Speaker: As hon. members know, this very distinguished parliamentary group has come to Canada under the leadership of the First Deputy Chairman of the Council of Ministers, Mr. Dmitri Polyanski.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sure all hon. members are agreed that this visit will contribute much to strengthening the bonds of good will, understanding and friendship between our two countries.

[*Translation*]

On behalf of hon. members, I wish Mr. Polyanski and his distinguished colleagues a happy and fruitful stay in Canada.

[*English*]

• (2:40 p.m.)

COMMITTEES OF THE HOUSE

Third report of standing committee on public accounts—Mr. Hales.

First report of standing committee on northern affairs and national resources—Mr. Badanai.

DIVORCE—MOTION FOR CONCURRENCE IN SECOND REPORT OF SPECIAL JOINT COMMITTEE

Mr. A. J. P. Cameron (High Park) presented the second report of the special joint committee on divorce, and asked for unanimous consent to move that the report be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, as the report requires that the committee be allowed to sit during sittings of the house and as everybody knows that we are opposed to committees sitting while the house is in session, we ask that 48-hour notice be given for concurrence in the report of this committee.

[*English*]

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

FINANCE

PROPOSED PURCHASE FROM U.S. RESIDENTS OF INTERNATIONAL BANK SECURITIES

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I should like to make a brief announcement related to the supplementary estimates which are being tabled shortly. It will be recalled that last December we entered into certain understandings with the United States concerning the application of their balance of payments guide lines program to Canada. I described these at length in the house on January 27. As part of these understandings we agreed that it would be appropriate for Canada's foreign exchange reserve position to fluctuate around a specified level.

As I explained in the house, I agreed with the Secretary of the Treasury of the United States that the government of Canada would be prepared, if necessary, to buy outstanding Canadian securities held in the United States to offset any excess flow of United States capital to Canada and thus maintain the net flow of capital at the level required to finance our balance of payments deficit. This was done in order to permit Canadian borrowers to continue to have full access to the long term issue market in the United States.

I informed the house on January 27 that we had purchased $40 million worth of government of Canada external bonds from holders in the United States. I have now to inform the house that within the last few days we have purchased a further $100 million United States worth of the issue of government of Canada bonds that mature in 1987. Of this amount $69 million will be delivered in June and $31 million in July. When this transaction is completed we will have acquired most of the bonds of this issue that were outstanding in December. It is possible that we may find it desirable to acquire further securities

held in the United States to carry out our understanding with the United States government to which I have referred.

Since the understanding was reached with the United States in December, and announced in January, the United States bond market has declined. The lower bond prices make the repurchase of Canadian securities more attractive from our point of view, but we find it has made the institutions holding them reluctant to sell at prices that involve a book loss. In these circumstances we feel we should have authority to purchase a greater range of securities, more widely held, that will still enable us to accomplish the purpose we had in mind.

We have found that we can accomplish the purpose that both governments were seeking by purchasing outstanding securities of the International Bank for Reconstruction and Development that are held by United States residents. Such purchases constitute a movement of capital to the United States offsetting the flow of capital to Canada involved in the sale of new Canadian issues in the United States market.

We are therefore asking authority in the estimates to enable us to purchase such securities for this purpose. This will give us some flexibility in carrying out the arrangement we made with the United States government should the over-all Canadian balance of payments be such as to require further action to attain the objective on which we agreed. I am confident that members of the house and others will agree that the bonds issued by the International Bank are an eminently good investment.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the long range effect of the government's policy as enunciated today, and as earlier enunciated in January, is rather too serious a matter for any off the cuff comment. It does indicate to me, however, that there is perhaps an over-cautious concern with the balance of payments problem which is something we have inherited since 1963 as a result of the agreement the then minister of finance entered into with the United States, and as a result of the interest equalization problem and our own cost of living or inflationary problem in this country.

I think the two are very closely related, but unfortunately far more attention is being paid to our obligation under the balance of payments problem than to the cost of living. It is all very well to benefit the United States authorities and the United States government, but in the interval the Canadian public is having to take it in the neck as the cost of living goes up day by day.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, the announcement of the Minister of Finance of course merely tends to again underline the fact that now we have literally no control over our monetary policy in Canada; it is now completely out of our hands. One weapon of governmental operation has been removed. I suggest to the minister that sooner or later he will have to face this problem of control of our monetary policy and seriously consider removing ourselves from the fixed exchange rate and going back to a floating exchange rate. I understand, of course, quite well that we would have some difficulty with the International Monetary Fund, but I am convinced this fund would not expel Canada from its ranks if we took the action which is becoming increasingly important and necessary.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I will not hide the fact that we are somewhat surprised to hear the Minister of Finance (Mr. Sharp) tell us that the government now wants to redeem, before maturity, the Canadian bonds held by Americans.

The Minister of Finance does not tell us where he will get the money to redeem those bonds. He announces supplementary estimates. Will this be taken out of the people's taxes? Will we have to borrow elsewhere to redeem the bonds held by American citizens? If we are in a position today to redeem those bonds before maturity, why then did we borrow from the Americans when we did?

Mr. Speaker, our balance of payments problem stems, not from our trade, for in that respect we have a favourable balance of payments, but from the fact that too much money leaves Canada for the United States in interest, dividends and profits. From 75 to 80 per cent of our natural resources and industry is held by Americans, and we send them profits, interest and dividends: that is the source of our difficulties.

Mr. Speaker, we, Créditistes, have been saying this for a long time: we have the Bank of Canada; let us use it, instead of the United States, to develop both our natural resources and our industries. Then our profits, our interest, our dividends will stay in Canada, and we will not have the problems which confront us today.

So, Mr. Speaker, I say to the Minister of Finance that the financial affairs of the Canadian government are going in the wrong direction at the present time.

It is time to take another direction, to find a new source of capital. Let us stop all that borrowing from the United States to develop our industry and our natural resources. We have our own natural wealth in Canada.

Let us instead resort to the Bank of Canada to develop our natural resources and then we would not always be in the mess we are in today, a mess of trade deficit due to the fact that all the profits are going to the United States.

Mr. Speaker, now that he is faced with these problems the Minister of Finance should consider the solutions we in the Social Credit have been suggesting for a long time and, by so doing I am sure that he would no longer be faced with such problems.

• (2:50 p.m.)

We are buying back our bonds, so much the better, we are bringing our capital back home. But at the same time, the Minister of Finance should also let us know where he is getting the money from in order to purchase such Canadian government bonds held by United States citizens.

That is what the minister fails to say. He informs us about all the rest, but he skips the essential part. Once again, this is a watered down statement, hiding God knows what, a half-baked statement. We are not being enlightened, we are being blindfolded even more.

CRIMINAL CODE

AMENDMENT RESTRICTING USE OF FIREARMS

Mr. Fernand Leblanc (Laurier) moved for leave to introduce Bill No. C-214, an Act to amend the Criminal Code (Firearms).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, the purpose of this bill is to restrict the use of firearms. The federal government is duty bound to co-operate with all police forces of Canada and financial institutions, in order to check the crime wave which makes as many human victims as financial victims.

It is obvious that the provincial and federal Departments of Justice must unite their efforts and co-operate as closely as possible. The fight against crime should be among the priorities of governments at every level.

Motion agreed to and bill read the first time.

[*English*]

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, over the week end the Prime Minister made a speech in Toronto on the subject of nuclear weapons. Among other things, an interpretation has been given to his words that communist China must be admitted to the United Nations. Would the Prime Minister say whether this is a decision of the government; and in view of the session of the United Nations that will take place in September, before parliament will have any further opportunity to discuss this matter, would the Prime Minister say whether Canada intends this year to vote at the United Nations for the admission of communist China?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sorry that I do not have with me the text of what I said, because I could read those sentences which would indicate that I was talking about the desirability, indeed the indispensability, of having the Chinese communist government represented at any disarmament conference if that conference was to be effective in its results.

There was no reference to communist China's admission to the United Nations. That is a matter, of course, for consideration at the forthcoming assembly in the light of developments there and the way in which it is put before the assembly. Our position on this matter has been, I think, made quite clear.

Mr. Diefenbaker: The clarity is of such a nature that the only interpretation of the Prime Minister's remarks that I have seen in the press has been that the government intends to vote for the admission of communist China. Now I ask the Prime Minister, does the government intend so to do? Otherwise his speeches have a capacity for misinterpretation that beggars description.

Mr. Pearson: Mr. Speaker, the right hon. gentleman's conclusions, as is often the case, are quite unwarranted from the context of what I said. I will be very glad to send him the text. The policy of the government in this

matter will be announced, and it will be announced in the house if the house is sitting.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Is there, within the cabinet, a shadow cabinet on this matter, too, that gives advice from outside?

Some hon. Members: Oh, oh.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to ask the Prime Minister a question supplementary to the one put by the Leader of the Opposition. The Prime Minister indicated that the government's position on the admission of communist China to the UN was made clear. Then in the last part of his answer he indicated that the government's intention on this matter will be announced. Would the Prime Minister indicate why, if the government's position on the matter has already been made clear, it should be necessary to announce a change in the attitude of the government?

LABOUR RELATIONS

REQUEST FOR LEGISLATION TO PROTECT PICKETING RIGHTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is to the Prime Minister. In view of the fact that some workers have been imprisoned as the result of a dispute between Tilco Plastics Ltd., Peterborough, and its employees, I want to ask the Prime Minister whether he is prepared to introduce legislation which will guarantee to the workers of this country the basic rights of peaceful picketing and lawful assembly.

Right Hon. L. B. Pearson (Prime Minister): That is a very important question, Mr. Speaker, of far reaching significance and I am sure my hon. friend would not expect me to answer it on the orders of the day. The issue which has arisen and the form in which it has arisen has been discussed by the Minister of Labour and myself, and we will be continuing to discuss it in the light of developments.

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR ROYAL COMMISSION TO INVESTIGATE ORGANIZED CRIME

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the Minister of Justice. I would like to know whether he has received a request from the new Quebec minister of justice for a fight against organized crime?

Hon. Lucien Cardin (Minister of Justice): No, Mr. Speaker.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the hon. Minister of Justice.

Following the publication of the last annual report of the Ontario Police Commission which recognizes the existence of an organized crime union in Ontario, Quebec and elsewhere in Canada, is the hon. minister giving more definite consideration to the establishment of a royal commission on organized crrime in co-operation with the provinces?

Mr. Cardin: Mr. Speaker, this question concerns the Solicitor General.

[*English*]

HOUSE OF COMMONS

SALARY INCREASES FOR CLASS B EMPLOYEES

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I had a question for the government house leader but in his absence perhaps I could direct it to the Prime Minister. In view of the announcement that pay raises will soon be given to 48,000 class B civil service employees, I wonder if the government could indicate whether measures are being taken to ensure that House of Commons employees who fall in this classification will receive their raises prior to the recess of this house.

Right Hon. L. B. Pearson (Prime Minister): I cannot answer that question, Mr. Speaker, because I do not know when the house will recess.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR DETAILS OF VISIT BY MR. RONNING

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I wish to direct a question to the Secretary of State for External Affairs. In view of the fact that during the last few days numerous reports have been coming from United States sources, one of them being Mr. George Ball, under secretary of state, concerning the details of Mr. Ronning's recent visit to Viet Nam, can the Secretary of State for External Affairs enlighten the members of the house in some detail concerning exactly what did take place during Mr. Ronning's recent visit to Hanoi?

Hon. Paul Martin (Secretary of State for External Affairs): I have nothing to add to what I have already said; but since my hon. friend refers to a reported statement of Mr. George Ball I will have to examine that statement. I did not know he made it.

Mr. Churchill: It was in the London *Times*.

[*Translation*]

POST OFFICE DEPARTMENT

ALBERTA—REQUEST FOR A CHANGE OF SIGNS ON POST OFFICE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Postmaster General.

Can the minister tell us whether he has received any representations from two Conservative members of Alberta to have the signs changed on an Alberta post office so as to indicate that English has priority over French?

Mr. Speaker: Order. This question is not urgent and cannot be put at this time.

Mr. Grégoire: Mr. Speaker, it is urgent because the signs have just been changed and as long as they are allowed to stay as they are now, it shows—

Mr. Speaker: Order. They can always be changed later.

[*English*]

GRAIN

WHEAT—SHIPMENTS TO RUSSIA THROUGH CHURCHILL

On the orders of the day:

Mr. Robert Simpson (Churchill): I wish to direct a question to the Minister of Finance. Yesterday in answer to a question the minister mentioned that in the contract signed between the wheat board and the Soviet union, provision is made for shipments to go through Churchill if that is the wish of the U.S.S.R. Can the minister say whether the officials of the U.S.S.R. were made fully aware of the beneficial savings which could be made by them in accepting some of this wheat through Churchill?

Hon. Mitchell Sharp (Minister of Finance): Yes, I can assure my hon. friend that we are all great proponents of the port of Churchill.

Mr. Simpson: Mr. Speaker, my question was whether the Russians were made aware of the savings that can be made by them.

Mr. Sharp: Yes, Mr. Speaker, I can give the hon. member that assurance also.

Inquiries of the Ministry

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): My question is supplementary, Mr. Speaker. Would the Minister of Finance not arrange for the Russian delegation to tour the port of Churchill so they can see for themselves the benefits they will gain by accepting shipments of wheat out of that port?

Mr. Sharp: Mr. Speaker, I am sure Your Honour has heard the question.

VETERANS AFFAIRS

INCREASES IN PROVINCIAL WELFARE PAYMENTS TO BE CONSIDERED AS INCOME

On the orders of the day:

Hon. J. A. MacLean (Queens): I wish to address a question to the Acting Minister of Veterans Affairs. Can he tell me whether any veterans, especially in Prince Edward Island, who are in receipt of war veterans allowance have been informed by D.V.A. that if they accept any increase in the old age assistance or other welfare benefits paid by the provincial government these benefits will be considered as income, and therefore their war veterans allowances will be reduced by the same amount?

Hon. Léo Cadieux (Acting Minister of Veterans Affairs): May I take this question as notice, Mr. Speaker.

OIL

INQUIRY AS TO REVISION OF NATIONAL POLICY

On the orders of the day:

Mr. H. R. Ballard (Calgary South): I wish to address a question to the Minister of Mines and Technical Surveys. Will the minister please advise us when we may expect a statement from him respecting the updating of the national oil policy? Will he advise us what goals will be set, and the dates on which these goals are to be achieved?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): That would require a speech, Mr. Speaker.

FINANCE

PURCHASE OF EQUITIES IN U.S. COMPANIES IN CANADA

On the orders of the day:

Mr. Max Saltsman (Waterloo South): I wish to address my question to the Minister of Finance with regard to the statement he made earlier today. In view of the fact that the minister will be seeking permission to

purchase other securities in the United States in addition to the ones we have been buying, will he also seek permission to purchase equity in United States owned companies in Canada as a better way of repatriating United States funds and helping them with their balance of payments?

Hon. Mitchell Sharp (Minister of Finance): Whatever merit there may be in that suggestion, it would not have the effect desired.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to direct a question to the right hon. Prime Minister. In view of the fact that tomorrow is the day when written questions are answered and since there is one question that has been on the order paper since January, four since February, ten since March, 15 since April and 48 since May, and particularly in view of the fact that starred question No. 1500 has been on the order paper since May 16, will he not prevail upon his ministers to answer these questions?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to do so. May I point out that I was looking up the questions today and I noticed that of the first 1,000 questions, 992 have been answered.

Mr. Starr: They should all have been answered, not just some.

Mr. Diefenbaker: Sometimes the last eight are the important ones.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR REPORT ON LABOUR DISPUTE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to ask the Minister of Labour whether he is in a position to advise us with regard to the position of the Canadian Brotherhood of Railway, Transport and General Workers concerning the C.N.R. offer of a wage increase of 9.2 per cent on behalf of the 22,000 non-operating railway employees.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this matter is presently before a conciliation board, and it would hardly be proper for me to make a statement at this time.

[Mr. Saltsman.]

Mr. Diefenbaker: Does the minister not know that the union told the board that it rejected the offer?

I will then ask the minister this question. In view of the settlements that were made in connection with the stevedore strike in Montreal and the threatened lake strike, has the government come to the conclusion that a 30 per cent wage increase over a period of two years is one that would maintain the line against inflation?

Mr. Nicholson: Certainly not, Mr. Speaker. Each one of these cases is dealt with by the conciliation board concerned on its own merits.

Mr. Diefenbaker: These cases I have mentioned were not dealt with by the conciliation board until the intervention of the Prime Minister.

LABOUR CONDITIONS

STEPS TO ENSURE HOLIDAY ON JULY 1

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is addressed to the Minister of Labour. In view of the difficulties which arose with respect to the longshoremen in Vancouver seeking a holiday on Victoria day as provided for under the Canada labour code, I wonder what steps the minister has taken to make sure the same difficulties do not arise with respect to the observance of July 1.

Hon. J. R. Nicholson (Minister of Labour): All I can say, Mr. Speaker, is that the matter is receiving top priority attention by the minister.

HEALTH AND WELFARE

MEDICARE—ACCEPTANCE BY PROVINCES OF CONDITIONS RESPECTING FEDERAL CONTRIBUTION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to address a question to the Minister of National Health and Welfare arising out of the notice in yesterdays *Votes and Proceedings* that the minister intends to propose a measure authorizing the federal government to make contributions to the provinces for medical care insurance plans. I wish to ask the minister whether any or all of the provinces have agreed to the conditions under which these payments will be made by the federal government.

Hon. A. J. MacEachen (Minister of National Health and Welfare): All have not agreed.

Mr. Olson: Will the minister tell the house how many have and how many have not agreed to the conditions?

Mr. Speaker: Order, please. It does seem to me this is the type of information which should be requested when this matter comes before the house.

PENSIONS

INQUIRY AS TO LEGISLATION REGULATING PRIVATE PLANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Now that all but one of the legislative items, notice of which has been promised for the session prior to the recess, are before us, can the minister say when this other one will be placed on the order paper? I refer to the pension benefits legislation.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not quite sure just when this measure will be on the order paper; we are working on the legislation. I thought the hon. gentleman was perhaps going to ask when the income tax bill will be on the order paper. That will be on even sooner.

Mr. Knowles: A supplementary question, Mr. Speaker. In view of commitments over the last several months that this legislation would be on the order paper soon, can it not be put on the order paper before we recess?

Mr. Speaker: Order. The question as asked now is argumentative.

WATER RESOURCES

REQUEST FOR FURTHER COMMITTEE APPEARANCE BY MINISTER

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. In view of the fact that the proceedings before the industry, research and energy development committee have prematurely been closed off, is the minister prepared to appear before some other committee to allow questions to be asked on water resources and pollution?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, the committee proceedings may have been closed off, but that is not the fault of the minister. I am not the master of decisions taken by committees of this house. As far as I am concerned, I tried this morning to answer all the questions. I was willing to go on for two or three hours, but we were told that the hon. member who has just asked the question was too busy and had to be somewhere else at eleven.

Mr. Aiken: Mr. Speaker, I rise on a question of privilege. The minister has not made a complete statement as to what happened in the committee this morning. There was a request—

An hon. Member: Order.

Mr. Aiken: I have the right to state the facts. There was a request that the minister return to the committee on Thursday so the hon. member for Kamloops, who is away today, could ask questions in connection with water resources and pollution. Likewise I had some further questions to ask. The committee completed its proceedings, but I rise merely to point out that it was not just myself involved but another member as well who also wanted to complete his questioning of the minister this morning.

Mr. Pepin: I will try to answer any question at any time.

Mr. Speaker: Order, please.

DISCUSSION OF FLOOD CONTROL WITH U.S. INTERIOR SECRETARY

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I should like to ask the Minister of Mines and Technical Surveys whether, in future consultations with the United States Secretary of the Interior, he and Mr. Udall intend to go beyond the subject of water pollution and look also at the problems of flooding and flood control.

Mr. Speaker: Order, I suggest to the hon. member that he might want to place that question on the order paper.

PUBLIC SERVICE

REQUEST THAT P.F.A.A. EMPLOYEES BE BROUGHT UNDER ACT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question which I will direct to the Minister of Agriculture. In view of the fact that the permanent employees responsible for the administration of the Prairie Farm

Assistance Act do not have the benefits provided under the Civil Service Act, would the minister consider bringing this important group of federal employees under this act?

Mr. Speaker: Order. I suggest to the hon. member that this is a matter of general policy and that his question might very well be placed on the order paper.

ADMINISTRATION OF JUSTICE

MEASUREMENTS OF PREMISES OF SEAFARERS INTERNATIONAL UNION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Solicitor General. In the recent execution by the R.C.M.P. of the warrant to search the offices and headquarters of the Seafarers International Union for records and documents, why was it that the R.C.M.P. found it necessary to take internal measurements of the buildings and offices by means of a tape measure?

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

FINANCE

PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX

Hon. Mitchell Sharp (Minister of Finance) moved the third reading of Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Knowles: On division.

Motion agreed to, on division, and bill read the third time and passed.

EXCHEQUER COURT ACT

AMENDMENT TO ELIMINATE TAXATION STAMPS

Hon. Lucien Cardin (Minister of Justice) moved the second reading of Bill No. C-201, to amend the Exchequer Court Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—*Fees payable.*

Mr. Diefenbaker: Mr. Chairman, perhaps an explanation might be given of the bill; the explanatory notes are not very complete.

[Mr. Southam.]

Mr. Cardin: Mr. Chairman, the purpose of this bill is purely administrative although it does require an amendment to the Exchequer Court Act.

Perhaps by way of explanation I might remind hon. members that while the judges of the Exchequer Court sit from time to time to hear cases in each of the provinces, the office of the registrar of the court has always been located in Ottawa and, until recently, all actions in the court were required to be commenced in his office and all documents relating to such actions were required to be filed in Ottawa.

For the convenience of litigants, a few months ago I approved the establishing of offices of deputy registrars of the court in the cities of Montreal, Toronto, and Vancouver. In the city of Montreal a full time deputy registrar was appointed, but in the cities of Toronto and Vancouver it was considered desirable to appoint officials of the provincial courts as deputy registrars.

In the course of arranging for these appointments we received strong representations objecting to the requirement that Exchequer Court fees be accounted for by the sale and purchase of Exchequer Court law stamps. In addition there was an obvious requirement that some compensation be made to the provinces on account of the additional office costs that will have to be borne by them as a result of integrating this special Exchequer Court service with their own provincial court service.

Furthermore, the registrar of the court and his officials believe that a somewhat more modern and more convenient method than the sale and purchase of law stamps should be found as a means of accounting for Exchequer Court fees. I understand that the acquisition of stamping machines is under consideration, since this system has proved satisfactory in British Columbia, Quebec and in many areas of Ontario. So the whole bill relates to section 80.

Consequently, if the arrangements I have outlined are to be carried out on a satisfactory basis, and if some new method of accounting for Exchequer Court fees is to be found, section 80 will have to be amended. By the amendment to this section contained in this bill, the use of law stamps as a method of paying fees will be discontinued. All fees payable to the registrar of the court will continue to be paid into the consolidated revenue fund, but fees payable to any officer of a provincial court, acting as a deputy

registrar of the court, will be retained and dealt with in the same manner as amounts paid to him as provincial court fees. It is contemplated that the fees so retained will either underwrite or assist in underwriting the additional office expenses that will be incurred by the provinces supplying this service.

• (3:20 p.m.)

Mr. Diefenbaker: Mr. Chairman, I wish to raise two questions. The explanation covers the situation in general but certainly it is not shown in the explanatory notes what provinces have made complaints regarding the procedure that has been followed throughout the years. Second, what has been the amount of fees year by year in the last three years of fees collected by deputy registrars in the provinces, which apparently also will be appropriated now by those provinces?

Mr. Cardin: Mr. Chairman, perhaps I could answer the last question first. I am sorry that I do not have the figures as to the amounts of money that were paid. Now as to the complaints that have been received. British Columbia and Ontario had made some representations concerning the methods which we used for the remuneration of deputy registrars. As the right hon. gentleman realizes, what we are trying to do here is utilize deputy registrars or registrars or officials of the provincial courts in such a manner that they will act for us in the field of Exchequer Court matters. The question of remuneration had to be reconsidered. This amendment means that the law stamps which were customary in the past no longer exist and that the deputy registrars in the different provinces will receive tax and keep revenue in order to be able to pay for the expenses which would be incurred by the imposition of these additional duties.

Mr. Lambert: Mr. Chairman, I can see where provincial authorities, whose clerical staffs might be used in carrying out duties that are attendant upon the fees of the deputy registrar, might be entitled to say that they should get the revenues from these fees. This is what has happened. In other words, any fees paid into a deputy registrar's office at a provincial capital form part of the consolidated revenue fund of the province. I am wondering about the appointments of these deputy registrars who very likely are clerks of the courts. Any such deputy registrar will become an agent of Her Majesty's government in right of Canada. He is personally undertaking responsibilities that are not within the terms of reference of his office as clerk. He is not paid by the province for this additional responsibility. Therefore, the only entities to gain from this arrangement, as explained by the minister—and I am sorry if I have misinterpreted the remarks he has made—are the consolidated revenue funds of the provinces. The clerks or the deputy registrars assume responsibilities with respect to those. I would think that the province could only claim to impose additional responsibilities if it were paying a supplementary allowance or salary to the clerk so that he might also act as deputy registrar.

Mr. Cardin: My understanding of the matter is that the fees that would be taxed by the deputy registrar would go to the registrar and would be in part, compensation to him for his extra duties.

Mr. Lambert: I am sorry, but that does not appear from my interpretation of the legislation. The bill indicates that fees collected:

> —shall be retained and dealt with in the same manner as amounts paid as provincial court fees.

Fees do not go to the clerk. They go to the consolidated revenue fund as revenues of the department of the attorney general. It should be clearly spelled out, therefore, that any clerk or other official of a provincial court who takes on the responsibilities of deputy registrar shall receive some salary increment to compensate him for his additional responsibilities. There is nothing in the legislation before us which spells this out.

Mr. Cardin: As the hon. gentleman can understand, there was an arrangement between the Department of Justice and the Attorneys General of the provinces in which this arrangement is being made. According to this arrangement the law stamp fees which would normally go to the federal government would be discontinued. The amount of fees involved would then go to the provincial government for the payment, in part, of the deputy registrar's fees for his additional work. The balance, of course, would go toward stenographic staffs, space, and this type of thing. That, fundamentally, is the understanding between the Department of Justice and the offices of the Attorneys General of the provinces where this arrangement is to be made.

Mr. Lambert: Another question comes to mind. I have never been enamoured with what I consider to be a spoils system under which an official of the court, whether he be

judge, magistrate or otherwise, shall be recompensed on the basis of moneys collected in that court. We know the abuses that this system gives rise to, especially in certain local courts and also under justices of the peace. Further, if it is anticipated that the volume of fees collected in these provincial jurisdictions will rise because of the nature and increasing incidence of litigation, the government of Canada, having bound itself by legislation, may find itself caught. I would have preferred in actual fact to see the government of Canada entering into an agreement on a fixed fee basis for services rendered. Fees could be adjusted as the situation warranted. That would be far removed from what I deem to be a spoils system. I am afraid that this legislation encompasses a very second-best type of arrangement.

Mr. Cardin: Perhaps I was not quite clear, and for that I apologize. My understanding of this matter is that the fees to be taxed are fixed by the registrar in Ottawa. The difference is that in the provinces those fees would be returned to the consolidated revenue fund of the province and therefore the province would give additional salary or remuneration to the deputy registrar. Also, part of those fees would go toward the expenses of offices. The actual fixing of the fees would be controlled by the registrar in Ottawa.

Mr. Lambert: I agree that the fees are on a fixed scale. What I am concerned about is this. Let us say that for the sum of $1,000 per annum the clerk of the court in the city of Vancouver will act as the deputy registrar. That $1,000 should be paid by the government of Canada to the province of British Columbia regardless of the volume of business.

Under this proposed system the remuneration of the deputy registrar may fluctuate according to the level of fees. This is conceivable, and that is why I call it the spoils system. I should have preferred to see the other system I mentioned. The minister might be prepared to tell us what is the attitude of the provinces in this regard.

Mr. Cardin: Mr. Chairman, that is the point I wish to raise. The provincial officials with whom we have spoken about this matter agreed to this present system. It is by arrangement that we have entered into it.

Mr. Lambert: I think it is a second-best system.

Mr. Brewin: Could the minister relieve my mind about one aspect of this legislation? It appears to be designed to eliminate the use of law stamps. Has this anything to do with the alarming increase in the practice of glue sniffing we have been reading about?

Mr. Cardin: Very indirectly, Mr. Chairman.

Clause agreed to.

Title agreed to.

Bill reported.

• (3:30 p.m.)

Mr. Deputy Speaker: When shall the said bill be read the third time? Now?

Mr. Starr: By leave.

Mr. Cardin moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

ATLANTIC DEVELOPMENT BOARD ACT

INCREASE IN FUNDS AVAILABLE, EXTENSION OF AUTHORITY, ETC.

Hon. J. W. Pickersgill (Minister of Transport) moved the second reading of Bill No. C-213, to amend the Atlantic Development Board Act.

Hon. J. A. MacLean (Queens): Mr. Speaker, there is little I intend to say on second reading. I believe most of the views of this party on this measure were expressed at the resolution stage.

There is, however, some concern expressed by those living in the maritime provinces that insufficient attention has been given by the Atlantic Development Board to the opportunities which exist in the maritimes for new developments with outward-looking possibilities for trade with foreign countries where our natural lanes of communication lie. The Atlantic provinces have historically been a seafaring region and their greatest prosperity was in the days of wooden ships. About 100 years ago they were leaders in world trade and I belive there is still a great opportunity for new industries, new developments and new trade in the maritimes based on their fortunate situation in respect of trade, especially within the Atlantic community. I should like to believe that the minister agrees with me in this respect and will at least look into the possibilities of this type of development in the Atlantic region in the future.

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, yesterday, on the resolution stage of this bill, we listened to what I thought were several illuminating speeches by various speakers in different

parts of the chamber. So far as the principle of this measure is concerned, I am sure that not only is there no objection to it but that it has universal support throughout the house.

I would be the first to say that when the Atlantic Development Board was established it was impossible to foresee all the eventualities which might arise, and it is the most natural thing in the world that the minister should now be submitting for the approval of the house a bill which I am sure is designed to achieve more directly and more quickly the aims and objects of the original legislation.

I listened to the brief remarks of the hon. member for Queens (Mr. MacLean). I believe everything he said had a tremendous amount of merit. I have some personal knowledge of the subject of his proposal since the business with which I am associated is conducted largely with the United Kingdom and the New England states of the United States of America. It has always been my feeling that we in the Atlantic provinces have laid rather too much emphasis on our disabilities instead of emphasizing and exploiting our natural advantages as perhaps we should have done.

It is with this in mind that I make these few remarks this afternoon. It seems to me, in the light of the importance of the balance of payments situation, that any industry which is based primarily on the exportation of goods should occupy a special place in the hearts and minds of those who have some public responsibility. I am sure the minister is very conscious of this. Then again, special encouragement should also be given to industries, whether developed in the Atlantic provinces or elsewhere in this nation, whose products might be substituted for material which would otherwise have to be imported.

So far as exports to the United Kingdom are concerned I believe there are many types of activity in the Atlantic provinces which are capable of further development. For example, in one of the counties which I have the honour to represent we have, I believe, the largest food processing plant in Canada. Those who are conducting that business tell me that generally speaking their market is confined to a large extent to exportation to Britain in spite of the fact that they are dealing with a commodity which one might think would be difficult to process and then to export due to its perishable nature. Yet this is being done.

These men, who incidentally deserve tremendous credit for the development of this industry, are instruments by which many hundreds of thousands of dollars are being distributed by way of wages in our part of the world. The fact that they have built up by their own efforts a market for the products of the farms in the counties I represent has had a tremendous effect on the economy of those counties.

• (3:40 p.m.)

The activities of the board should not be restricted to acting upon the recommendations of provincial governments. Yesterday we heard one hon. member, a former member of the board, speak of the approach taken by it to regional problems. I make no apology for being guided to some extent by political considerations. There would be something wrong with all of us if we were not so guided, but I do not see any reason why political considerations should conflict with public interest. I think the board should be willing to receive suggestions from members of parliament at the federal level and even from Conservative members of parliament.

Mr. Pickersgill: It has been.

Mr. Flemming: I agree with the minister that it has been, and I also agree with those hon. members who spoke yesterday about the general excellence of the members of the board and its staff under its director, Dr. Weeks. They are capable people dedicated to making a success of the work entrusted to them.

I think these amendments will improve the general situation and, as I said at the outset, I feel we in the Atlantic provinces should emphasize our advantages rather than our disadvantages and handicaps. Our export drive should not be confined to the United Kingdom. Goods from the Atlantic region can be sold in all the markets of the world, as several firms have already demonstrated. Their products have been satisfactory in quality and competitive in price.

The general level of productivity in the Atlantic provinces on a per capita basis compares favourably with the rest of Canada, and I am hopeful that greater initiative will follow the passage of this legislation. We are not proud that unemployment in our region is higher than in the rest of the nation, and I believe that greater emphasis on exports could be a factor in helping to reduce it.

I have some knowledge of the board right from its establishment. I am grateful to my leader, who is in the chamber this afternoon, for the responsibility he gave me to guide the

original bill through the house. There are some things in life we look back on with more satisfaction than others, and this was one in my life. When the bill was first introduced there was some discussion on the question of funds for the Atlantic Development Board. It was felt by the government of that day that funds should not in any way be restricted. Now the minister says that the amount voted at that time has been a limiting factor, but I can assure the house that it was not considered such by our government.

The provision of this additional $50 million seems reasonable to me. Perhaps I am too modest in my idea of expenditures. Some people want to talk in billions of dollars but, in the school in which I was brought up, when we went into debt for $1,000 we worried about where the money would come from to settle the debt.

I am quite prepared to take the minister's word that when these funds have been exhausted consideration will be given to the provision of additional moneys. I think the original legislation has provided much benefit to the Atlantic provinces and again I express my admiration for the work of Dr. Weeks and his staff. The house should also give appreciation to the former government which introduced the original legislation and also to the present government for introducing this bill which will further the work of the Atlantic Development Board.

• (3:50 p.m.)

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party are wholeheartedly in support of this legislation in so far as it will contribute to the economic development of the Atlantic provinces. I am not going to take very much of the time of the house because I think there is general support for this measure. If I have any criticism at all to offer, it would be that neither the legislation nor the amount of money envisaged goes far enough.

When the resolution was being presented by the Minister of Transport (Mr. Pickersgill) he assured the house that the Atlantic Development Board had not been imprudent in respect of either the money it had spent or the commitments it had made. If I had any criticism at all of the board it would be that they had been so careful that after three years only half the $100 million was spent and the rest committed. It seems to me this is not a very large expenditure over a three year period to take care of the industrial needs of the four Atlantic provinces and to provide the kind of stimulus needed for the economic growth of that area.

I think the amount of money provided now is too small. I agree with the minister that from time to time the house should have an opportunity to have a report and debate on this matter, but there are other ways by which this could be provided. I do not like the idea of handing out this money in little driblets so that the board constantly is hampered in its long-term planning of what it wants to do. I should like to say that I think this is a good board. I believe they have gathered around them an excellent staff and that their long-term planning and projects offer great promise. But I think they ought to be given a great deal more money and ought to be given by the minister and the government the green light in getting down to the business which needs to be done.

I need not remind the house that the Atlantic provinces have much reason to complain that the disparity of income which has existed in days gone by is not being rectified. The gap in per capita income and in productivity between the Atlantic provinces and the other parts of Canada, particularly central Canada, is being narrowed; but the much greater unemployment figures in the Atlantic provinces compared with those for the rest of Canada are not being reduced substantially. Even if the Atlantic provinces make gains, which they are making, I suggest that they are not making gains as fast as the other parts of Canada. The Atlantic provinces are in much the same position as was the case when the queen said to Alice in Wonderland: You have to run as fast as you can to stay where you are.

Even if we could step up economic and industrial activity in the Atlantic provinces they would then only be holding their own with the rest of Canada and still not be reducing the very considerable disparity which exists between them and the rest of Canada. Therefore I feel that this government and this parliament can afford to be generous and far-seeing in making very much larger sums of money available to the Atlantic Development Board. After all, this involves four provinces. Three at least, leaving out Newfoundland, do not have great hinterlands yet to be developed which is the case in Quebec, Ontario, the prairie provinces and British Columbia. They do not have the hinterland of natural resources from which they can draw in the future. They will have to depend on intensive industrial development

in the small areas they have at their disposal. Therefore I think we could do much better than we are doing under this legislation.

It appears to me that there is not the co-ordination there ought to be between the Atlantic Development Board and the rest of the federal government. I have reference particularly to the Department of Industry. Frankly, I do not know why this legislation does not come under the Department of Industry. Surely there ought to be the very closest integration between a body set up to promote economic and industrial development in the Atlantic provinces and the Department of Industry. It seems to me that this board might well be reporting to the Minister of Industry (Mr. Drury) and be responsible to him so that he can fit its programs in with the programs of his department.

A very good example of the cross-purposes which we find is in the matter of designated areas. From all I can gather the Atlantic Development Board has been waiting for a long time to have the Atlantic provinces in their entirety treated as a designated area. This makes sense. We cannot develop industries on a postage stamp basis. They have to be developed on a regional basis taking into consideration the various natural resources available, fuel, transportation, and markets both export and local.

It is only possible to plan economic development on a regional basis. Yet the Department of Industry proceeds in an outdated manner to select little postage stamp areas and designate them. In the Atlantic provinces it has excluded such cities as Halifax, Saint John, Dartmouth and Fredericton. There is such a thing as mutual attraction in industrial development. You cannot just take a local area, set it aside and say that is a designated area to which we want to attract industry. You have to start where there is some industry and where there is a reservoir of trained manpower and markets. Industry attracts industry; primary industries attract secondary industries and secondary industries attract tertiary industries. Therefore, to take cities out of an industrial development plan is to cut the heart out of any sensible industrial development program.

If the Atlantic Development Board were consulted by the Minister of Industry I feel certain they would be the first to recommend a complete overhaul of his system of designating areas for the purpose of industrial development. I really cannot understand why there has not been a better co-ordination. I certainly think it is regrettable that there should be this complete contradiction with one board trying to treat four provinces as a region for industrial development and a department of government on the other hand cutting up the region into small areas and saying that some are designated and others are not. It does not make sense. When the Prime Minister (Mr. Pearson) is carrying on one of his periodic reorganizations of government structure I hope he will give some thought to working out a better co-ordination between the Department of Industry and the Atlantic Development Board.

• (4:00 p.m.)

In so far as this legislation will help the Atlantic provinces, which we feel sure it will, we give it our hearty support.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we have under consideration a bill designed to provide assistance to the Atlantic provinces. First, I do wish to say that we are not opposed to that. However, I would like to take a few minutes today to say that the Atlantic provinces are not the only ones with areas of unemployment, with underdeveloped areas. The province of Quebec also has underdeveloped areas in need of assistance.

Therefore, I would simply say this to the Minister of Transport (Mr. Pickersgill) and to the Prime Minister (Mr. Pearson). Although we do not object to the principle of Bill No. C-213, we believe that the government should also give consideration to the other underdeveloped areas in this country, that is to those of Saguenay-Lake St. John, the Gaspé peninsula, Abitibi, the north shore, etc. Those are areas with tremendous needs, for which the government should make special efforts. Part of the people's taxes is used to assist the Atlantic provinces; yet, those taxes are collected in the country as a whole. We do not oppose this, because needs are becoming apparent in those four provinces, but I insist on the fact that there are areas in the province of Quebec also which are in need of assistance.

For a number of years, the western provinces obtained many things from the federal government, while the Atlantic provinces and Quebec were neglected. At other times, it is the province of Ontario which received a great deal of assistance. At that time, in the thirties, the western provinces, Quebec and the maritimes were forgotten. We believe that the province of Quebec should have its turn, since it has never come.

Some resolutions appear on the order paper, especially that concerning feed grain for eastern Canada. It has been on the order paper for quite a long time, but it has not yet been passed; we would like it to be passed as soon as possible. There are also some reports to the effect that the price of milk in farming areas is not high enough and we would like the federal government to do for certain designated areas in Quebec what it is doing for the Atlantic provinces. We believe that this is an urgent matter. Words are not enough and the government should act.

[*English*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, there are a few observations one could make at this time in the debate, and in view of the interest shown by the government of which I had the honour to be the head in the Atlantic provinces in general I feel I should say something regarding the measure now before the house.

Let me say at once that this measure will receive the full support of Her Majesty's Loyal Opposition. However, what is being done and has been done has not met the needs and requirements of this nation to bring about a reasonable degree of equality of opportunity. The people of the maritimes have moved to all parts of Canada and the United States. This area has been the nursery of a very large proportion of the leaders of this nation and of all the provinces of Canada. Many people from the Atlantic provinces have migrated to other parts of Canada and United States because of the inequality of opportunity, and what each of us must try to do is bring about an economic regional advance in those areas of the country where the economy is not on a par with the rest of the nation.

Various explanations have been made for the exodus from the Atlantic area. What has been the motivation for this exodus? I think the recent study made by the organization for economic co-operation and development has given the answer, namely, that the broad range of opportunities in other areas, particularly in the United States, has brought about a continuing process of migration from this area. This has not been a recent development but rather a continuing one which has taken place since the 1880's.

What can we do about this situation? I think the government should have acted to meet the demands of APEC respecting the designation of the Atlantic provinces as a designated area. Various reasons were advanced why this area could not be designated, but those reasons have no effective basis in so far as Halifax, Dartmouth, Saint John and Fredericton are concerned. I again urge upon the government the need for action in this regard. The government must face up to the necessity of restoring a new sense of hope in these areas which find themselves today with great unemployment and without that degree of opportunity that is available in other parts of our nation. If action is taken in this regard I am sure Canadians everywhere will welcome it and the equalization of opportunity that will follow.

I cannot understand the reasoning that impels the Department of Industry to stand so firmly against a course of action which would be beneficial not only to the Atlantic provinces but to the nation as a whole. The problem is a large one. One must always attempt to look into the future. What will the next 25 years bring about?

• (4:10 p.m.)

One of the major problems in the maritimes has been the lack of a close relative connection with the central provinces. There are many who argue that railway transportation is a thing of the past. I do not believe or accept that argument. Today we must consider what the future may bring about, and one of the greatest obstacles to industrial development in the maritimes, with its vast coal resources, is the cost of transportation.

Various committees have studied this situation and have recommended that assistance be given. The Duncan commission and others have made recommendations. Large subsidies have been granted. Indeed, during our period of office we multiplied the subsidies on behalf of the coal areas, particularly in Cape Breton. The hon. member for Cape Breton South (Mr. MacInnis) and the hon. member for Cape Breton North and Victoria (Mr. Muir), both of whom have devoted themselves to this problem, have asked for action to be taken. The coal mining industry is today in a serious position. The $25 million that was promised during the election period but which received no political support has not yet been determined upon and made available.

What is needed as I see it, and at the moment it is just a dream, is the development of an efficient, high speed, ground transportation system. I take the position that the economic life of the provinces by the sea has unquestionably been impeded by the lack of ground transportation facilities. The long

route followed by the rail line from Montreal to Halifax was satisfactory during the days when it was first built. It was necessary to assure confederation. It was natural that the original construction of the railway line should follow the shores thus linking the centres of population. Today, as I see it, we need fast, direct connections between the maritimes and the industrial heartland of central Canada. It will be a costly thing. It will be a grand design. It cannot be done immediately.

I have pressed for a national transportation policy and in that policy I envisage thought being given to bringing new transportation facilities to the maritime provinces. The present line running from Montreal through Richmond, Levis and Mont Joli covers 840 miles. The fastest time in which this route can be travelled today is some 21 hours. Is the time not here when we should give consideration to bringing about a direct line from Richmond, Quebec, through the top corner of Maine to Woodstock, New Brunswick, and utilizing the present main lines that are available? To follow this suggestion would cut by one-third the distance of the present route. The time that would be taken for travel from Montreal to Halifax would be less than 12 hours rather than the 21 hours now required.

There would be tremendous savings in freight costs both ways. There would be made available to the maritimes the probability not only of the expansion of existing industries but the establishment of additional ones, which would be beneficial not only to those provinces but to Canada as a whole. Such a direct line would not take the place of the present line in any way but would be used chiefly for high speed freight transportation.

The maritimes have tremendous potentialities for the production of electrical power. What they need now, as I see it, is thinking devoted not only to those matters that the Atlantic Development Board is dealing with. We in other parts of Canada, and in particular the Department of Transport—I know the minister has given thought to a national transportation policy—should be thinking about assuring direct, efficient and high speed rail communication for the maritimes. It will be costly but over a period of 60 years the amortized cost would assure the dividend of a discharge of the indebtedness.

This would enable those provinces by the sea to become a vital part of Canada's industrial and business might. Over a period of years there would be tremendous savings in the subsidies that would otherwise have to be paid. It cannot be done in a day, but I think the Department of Transport might very well devote itself to a full and complete study of this subject.

On a later occasion I shall give my views on a transportation system for the western provinces and in particular the Rocky Mountain area leading to the Pacific ports. This country, with all its vast potentialities, must catch something of the greatness of the possibilities of the future. We have to think in a big way. When one reads the story of confederation and the Year Book—I am speaking now from memory—after confederation the prediction was that by 1940 the population of Canada would be some 40 million. How far out that was. New dreams can be implemented and carried out by planning. We have to populate this nation. We have to develop. We have to remove the restrictions of those who fear increased immigration. Canada cannot continue for the next 50 years in the lackadaisical way in national development which has too often characterized this nation in the past.

The task is a difficult one. The arguments that will be advanced will be complex. But I feel that we as representatives of this nation as a whole would give young Canada new hope in 1967 were we to raise the horizons of our ideas for national development so that in every part of this nation Candians, regardless of their geographical address, would be able to have each for himself that degree of equality of opportunity which was the basis of confederation and in my opinion will be the strongest bond of confederation in the next 100 years.

• (4:20 p.m.)

The Acting Speaker (Mr. Rinfret): May I remind the hon. members that if the minister speaks now he will close the debate.

Mr. Donald MacInnis (Cape Breton South): It is not my intention to hold up the proceedings, Mr. Speaker, but I would ask the Minister of Transport, in replying to the remarks which have been made by hon. members, to take into consideration the fact that the Donald report on coal is, I understand, under study by the cabinet committee. We have been given to understand that the portions of the Donald report which have been published, and this has not yet been denied, indicate a very detrimental situation. Whether or not this is so I cannot say but I ask the minister to reveal that portion of the

Donald report which may hold out some hope for the industrial area of Cape Breton, whether it be the coal industry or other industries in that area.

I also wish to ask him to take a firm stand and resist the suggestion of the leader of the New Democratic Party that the Minister of Industry take over the administration of the Atlantic Development Board. We do not wish the Minister of Industry to do so. Despite the fact that the Minister of Transport is not a maritimer, we realize that he represents Bonavista-Twillingate which may present certain advantages to the maritimes.

I should very much like to hear the minister report on the Donald commission since the government seems to have taken some comfort from the stand taken by Premier Stanfield and supported by the union leaders in Nova Scotia to the effect that coal can no longer be considered a growth industry in that area, will the minister not also take into consideration the suggestions made by Premier Stanfield in his speech?

May I point out that the former minister of labour made promises prior to the election concerning the coal situation in Nova Scotia and despite what our leader says in respect of those particular promises they were originally designed to get votes. In fact, in the minister's own words as recorded in *Hansard* those promises did produce 5,000 more votes.

Mr. Diefenbaker: It did not turn out that way.

Mr. MacInnis (Cape Breton South): I therefore ask the minister to give serious consideration to the suggestions made by Premier Stanfield and at least to alleviate the concern of Nova Scotians in respect of that part of the report which has been made known recommending that vast amounts of capital be imported into the industrial area of Cape Breton.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I suppose one should be grateful even for backhanded compliments and I thank the hon. member for Cape Breton South (Mr. MacInnis) for his slightly grudging suggestion that the Atlantic Development Board should remain under my jurisdiction rather than under some other minister.

Mr. Diefenbaker: That is high generosity.

Mr. Pickersgill: I recognize it and acknowledge it for what it is.

I did not make a speech at the opening of the debate on second reading because it seemed to me that in the observations I had made yesterday during the discussion on the resolution I had covered the content of the bill. However, a few things have been said that I think deserve some notice from this side of the house. I wish to say right away that I appreciate the tone of every speech that has been made this afternoon, while I do not agree with everything that was said in all of them.

I think this is one occasion when all of us have addressed ourselves to the problem which is the purpose and the *raison d'être* of the Atlantic Development Board, that is, an effort to bring the economy of the Atlantic provinces up to the level of the economy of other parts of Canada where, for geographical, historic or other reasons, the advance has in many cases been more rapid.

The senior member for Queens (Mr. MacLean) who spoke first on this subject suggested that we should make a special effort to stimulate industries that would be engaged in export. I think the hon. member, who is a former minister of fisheries, is well aware of the excellent work that has been done, is being done and will continue to be done by the Atlantic Development Board in helping to modernize one of the most important and oldest of all export industries of the Atlantic provinces, the fishing industry and the processing of fish. Notwithstanding the tremendous amount of fresh water in all the provinces, we have discovered that a lot of our fresh water is not nearly as pure as it should be, nor nearly as accessible as it should be.

The board has made special efforts to make water available to processing plants and it has kept some of them in existence when otherwise they would not have been able to carry on. It has also stimulated the growth of other plants and I therefore think that much more should be done in this sphere. Indeed, a survey of the water resources of the whole region has been undertaken by the board. The accessibility of water is absolutely essential in the location of industries because all of us know that everywhere on this continent water is becoming perhaps the most important of all the resources that large industries, and especially resource industries, look for when they are locating new plants.

I think it is particularly opportune that the hon. members for Queens and Victoria-Carleton should have emphasized export industries and the geographical advantages of the Atlantic provinces in this field on the eve of the conference to be held here next week between the Prime Minister of Canada and the prime ministers, the premiers and the

chief ministers of the Commonwealth countries in the Caribbean. We hope this will mark the beginning of a new era in our relations with the Caribbean countries. Of course, those of us who represent the Atlantic provinces cannot help but feel that this is of special interest to us, although I think it is also of great interest to all Canadians, including British Columbia which has a considerable market for exports in the Caribbean, as I discovered on a recent visit.

The hon. member for Victoria-Carleton knows, of course, because he was one of the initiators of the board, that the board has the power to initiate industrial development and so has the government, but it has been found that the co-operation with all the provincial governments has been so close and constant that the question has almost not arisen. I am sure the hon. member for Victoria-Carleton also came to that conclusion when he was first responsible for setting up the board. One thing we certainly do not want to do is to let the board work at cross-purposes with any of the provincial governments and the very effective agencies that they now have in all the four provinces for the promotion of industrial development. There is the very closest and almost constant connection between the two. In the case of Nova Scotia let me say a word about Mr. Frank Sobey who was appointed to the board by the previous government and is still a very valuable member of the board and also the head of Industrial Estates. That dual situation has certainly made co-ordination easier. The mayor of Saint John is one of the members of the board. In selecting members we have sought, as did the previous government, to select people from all parts of the region who would represent all of the varied economic interests. I should like to pay a great tribute to all those who have served on the board, no matter by which government appointed, for the single-minded devotion with which they have served, and served voluntarily, as the hon. member for Kings (Mr. McQuaid) pointed out yesterday, to the great benefit of all regions in Canada.

• (4:30 p.m.)

I agree with the hon. member for Victoria-Carleton (Mr. Flemming) that we ought to look ahead. I also think we ought to try to emphasize, as I did yesterday in a rather clumsy way, some of the advantages, which perhaps were not advantages even five, six or ten years ago, of the changing patterns of world trade. These changing techniques in transportation will, I believe, give the Atlantic provinces, when combined with their resources of industrial power, advantages that they have not had before for a long time in respect of the development of certain kinds of industry.

In that context I would recall to hon. members the fact that nearly all the freight has tended to move from central Canada to the Atlantic provinces and that there has been very little in the way of return shipments either by sea, by land or even by air. The result of this, of course, is that in order to make the return voyage profitable very advantageous rates can now be had for westbound traffic.

This has made for certain kinds of industry and has created a very great advantage to industry in locating in those provinces, particularly if they can combine an export function with production which is available to the big, rich central Canada market. The Clairtone Company has recently opened a plant in Pictou County, and I hope and expect that it is going to be one of the pioneers in a movement which I think will gather a good deal of strength in the next few years.

I should now like to make one or two observations about what was said by the hon. member for Burnaby-Coquitlam (Mr. Douglas). I do not think that the hon. member really meant to describe $50 million as a little driblet. I am still modest and old-fashioned enough to think that $50 million is a great deal of money, even in 1966. Sometimes I think we are a little apt to take these amounts in the multi-millions too much for granted.

I suppose, Mr. Speaker, that because I was brought up in the bush of northern Manitoba where there was not much money this feeling made a permanent imprint on my mind, but I have always thought there is a lot to be said for prudence when you are handling other people's money or even your own. That does not mean, sir, that I am not willing to take risks. When I left my previous occupation to become a politician I gave a demonstration that in certain circumstances risk did not frighten me too much. There are a lot of big risks that I am quite prepared to take in discharging the responsibilities I have and in encouraging the Atlantic Development Board to discharge its responsibilites.

An hon. Member: Here we go again.

Mr. Pickersgill: Mr. Speaker, the repeated failure of the power supply in this chamber I

think is evidence that we should get on with developing these huge power resources both in Labrador and in the rest of the Atlantic provinces.

Some hon. Members: Hear, hear.

Mr. Pickersgill: The hon. member for Burnaby-Coquitlam was, I am sure, speaking from an academic and theoretical, or perhaps I should say from an uninformed, viewpoint when he said that there ought to be more co-ordination between the Atlantic Development Board and the Department of Industry. I cannot think of any department with which there has been closer co-ordination from the day the Department of Industry was established.

I would remind hon. members that these two agencies have entirely different, though in some respects closely related, functions. The purpose of the Department of Industry is to stimulate industrial development from one end of Canada to the other. This includes Toronto, if it still needs stimulation, as well as anywhere else. On the other hand, the purpose of the Atlantic Development Board, as I said when I introduced the amendments in 1963, is primarily to act as a steady pressure group on every department of the federal government and on all other agencies so as to get things done for the Atlantic provinces.

I do not think it would be appropriate for me to go into the question raised both by the Leader of the Opposition (Mr. Diefenbaker) and by the hon. member for Burnaby-Coquitlam as to the reasons that Halifax, Saint John, Fredericton and Dartmouth are not designated areas. However, I think I should remind all hon. members that the criterion for a designated area is the amount of unemployment existing in that area. It does not matter where in Canada any particular area is. What is the criterion is the quantity of unemployment existing in the area.

It just so happens that the employment situation in Halifax, Dartmouth, Saint John and Fredericton is happily good enough that these areas do not qualify as designated areas, and this is a fact for which I think we should be grateful. If we are to have in all parts of Canada designated areas which do qualify under the criteria, then the same criteria obviously have to apply in the Atlantic provinces as apply elsewhere.

[Mr. Pickersgill.]

Mr. Diefenbaker: Could I ask the minister a question? Does he not think that the representations of those connected with APEC, with full knowledge of the needs of the Atlantic provinces and having recommended that the Atlantic provinces be so designated, deserve serious attention by the government?

Mr. Pickersgill: Yes, Mr. Speaker, of course. I am sure that the right hon. gentleman, who had the responsibility of being prime minister of Canada, never allowed any regional consideration, no matter how strongly put forward, to make him deviate from taking a national point of view. That was his responsibility, as it is the responsibility of every prime minister and of every government.

However strong may be the representations made by APEC and however desirable their recommendations may be in given circumstances—this is a debatable question which I do not propose to discuss on this particular occasion—their representations are naturally made from a regional standpoint. If we are to have a designated area policy such as that we now have applied to the whole of Canada, I think the criteria must be the same for all parts of Canada. That is part of the reason why it is very undesirable to have the Atlantic Development Board and the Department of Industry under the same minister, because they are working to achieve different aims.

Mr. MacInnis (Cape Breton South): Would the minister permit a question?

Mr. Pickersgill: I would prefer to deal with this point first.

Mr. MacInnis (Cape Breton South): My question is exactly on this point. The minister will have the opportunity to clarify it.

Mr. Pickersgill: The hon. member may put his question when I have concluded what I have to say on the point.

The Department of Industry is working to stimulate industry throughout Canada and to try to even out the unevenness between regions which are designated and regions which are not designated because their unemployment situation is not so difficult. The Atlantic Development Board is devoted primarily to the promotion of industrial and economic development in the whole of the Atlantic region.

• (4:40 p.m.)

Under the designated areas policy direct aid is given to businesses themselves. Direct

aid up to now has not been given to individual firms by the Atlantic Development Board. They are working in slightly different fields but, of course, to the same broad end.

Mr. MacInnis (Cape Breton South): Would the minister permit a question?

Mr. Pickersgill: Yes.

Mr. MacInnis (Cape Breton South): The minister has indicated that one of the criteria for establishing designated areas is unemployment. He referred to the fact that the criteria for designated areas are the same across Canada. Would he not agree that they are so rigid as not to produce the desired results in the Atlantic region? How can the minister equate the idea of unemployment as a criterion for designated areas right across the country and at the same time go into the maritime areas and tell the people there that everything is going better in Canada and in the maritimes than ever before? I indicated to the minister that the criterion of unemployment on an across Canada basis is not producing the desired results in the maritime area simply because it is the same throughout the country.

Mr. Pickersgill: I do not accept the hon. gentleman's premise at all. I do not propose to debate this subject as it has nothing to do with the bill before us. I merely want to point out that the broad objectives of economic and industrial development are the same but the method of arriving at each particular area of operation is different in the two cases. I do not think that co-ordination could possibly be closer than it is. I think that those people in the Atlantic provinces who have followed the work of the board and the Department of Industry closely will admit that very readily indeed. I could, if we did not want to get on with our legislation, give many examples.

I should now like to say a word or two about what was said by the hon. member for Lapointe (Mr. Grégoire). He, it seems to me, gave the best possible reply to the hon. member for Burnaby-Coquitlam. He pointed out the need for industrial development and economic advancement in certain parts of the province of Quebec, including the area he represents. We acknowledge this. It is a designated area. Some hon. members are not ready to accept our designated areas as such. But if we simply abolished the criteria for different designated areas, then the whole country would have to be designated. That is the problem and it is not easy of solution. I am not saying that our solution is perfect; I am not saying it will not be improved. But I say that if you are going to designate areas across the country you must have some way of designating one area as distinct from another; otherwise the whole idea is meaningless. I appreciate what has been said and I realize the difficulties.

The Leader of the Opposition said a few things about transport that encouraged me very much. The right hon. gentleman referred to my conversion with respect to views he had expressed about a railway in Alberta and the Northwest Territories, the first railway that ever went into the Northwest Territories.

I admit that the right hon. gentleman gambled and his gamble now looks pretty good. I admit it. But I am also very pleased at his conversion because in 1958 the party I belong to went to the country advocating a trunk road program for the four Atlantic provinces and we said we would undertake to pay 90 per cent of the cost of completing the trans-Canada highway. Unfortunately for the Atlantic region itself we had no chance to carry out that program until 1963. We lost no time when we got into office in 1963. The promised 90-10 formula was put into effect and the trans-Canada highway is completed across Newfoundland. Progress of that highway is not moving fast enough to suit the hon. member for Pictou (Mr. MacEwan), but the highway is moving across Nova Scotia and New Brunswick.

Since this government came into office $30 million, in addition to what is directly in the Atlantic Development Board fund, has been devoted to assistance in a trunk road program throughout the entire four provinces. I do not think it is going to be enough but it has not yet all been spent. Everything is moving ahead quite rapidly. Moreover, taking the suggestion of the MacPherson Commission, which did a very solid job in my view but which did not deal, as the right hon. gentleman will recall, with the special problems of the Atlantic provinces, we have now under way a comprehensive study which we have discussed in detail with the four provincial governments, by a joint venture of the "Economist" unit and the Acres Company in regard to the transport needs of the whole Atlantic region. I do not think anything is more important to the economic advancement of the area than providing good transport. That is more important even than power development.

I come finally to the question of the hon. member for Cape Breton South (Mr. MacInnis). I cannot, of course, disclose what Dr. Donald has advised the government. But I can say, and say with the most complete confidence, that a great deal more than $25 million will be spent for the industrial development of the coal mining regions of Nova Scotia. There is no question whatever but that we must grapple with this very serious problem. I certainly will not be satisfied, and I know my hon. friend the Minister of National Health and Welfare will not be satisfied and I do not believe any member of this government will be satisfied, until we have an industrial capacity in Cape Breton Island that will make the situation there better than it is now or than it has been for a long time. There are some very encouraging signs now of developments already underway.

Mr. Douglas: Before the minister leaves that point could I ask him a question? When he says that a great deal more than $25 million will be spent in that area, could he be more specific? Will the $25 million be spent in the development and extension of the coal industry as was suggested by the Minister of National Health and Welfare in Cape Breton?

Mr. Pickersgill: There is no question that more than $25 million will be spent in an effort to provide employment. How that will be spent and the precise manner in which it will be spent I do not say. The hon. gentleman was the head of a government for quite a long time, and I am quite sure that he remained head of that government by working out his policies before he announced them. I think it is a sound rule and it is the rule I intend to follow.

Mr. Diefenbaker: Does that rule apply to the Minister of National Health and Welfare?

Mr. Pickersgill: It is just another bit of prudence.

Mr. Diefenbaker: I would ask the minister whether that rule is in any way in conflict with the announcement made by the Minister of National Health and Welfare some time ago?

Mr. Pickersgill: The Minister of National Health and Welfare made an announcement that will be carried out. I can assure hon. members that there was nothing said by the Minister of National Health and Welfare which is not in complete and total accord with the policies of the government at the present time.

An hon. Member: We have your word for it.

Mr. MacInnis (Cape Breton South): I assume that the recommendations of the Donald Commission have already been circulated and, whether those recommendations are authentic or not, I take it that the government is determined to ignore them.

Mr. Pickersgill: The hon. member may draw any conclusions he likes from anything he has read, but he cannot draw any conclusions from what I have said—

Mr. Douglas: Hear, hear.

Mr. Pickersgill: —other than what I have said. As every politician knows, it is very easy to distort other people's words and to say that other people have said something different from what was said.

• (4:50 p.m.)

Mr. MacInnis (Cape Breton South): On a question of privilege, I had no intention of distorting the minister's words. If the minister will look at his own words he will find he said that the government has every intention of carrying out the conditions laid down by the hon. gentleman who was then minister of labour with respect to the $25 million grant for the coal industry. The minister now states it is the government's intention to back up the statement of the former minister of labour. What other interpretation can I place on his remarks other than that the circulated reports of the Donald coal commission are to be ignored?

Mr. Pickersgill: This is a perfect example of what I was saying. I was saying that if anyone wanted to scrutinize the words actually used by the Minister of National Health and Welfare, not the words attributed to him but the words he actually used, it would be found that they represent the position of the government. I am not responsible, nor is he, for interpretations which others place on his words. Perhaps when we get into committee—

Mr. MacInnis (Cape Breton South): One more question. Would the minister care to come to my office and listen to the tape?

Mr. Pickersgill: I can answer that shortly. The answer is, no.

If these diversions are over, I should like to make one final observation. It is about the sum of money which is to be paid into the fund under the terms of this bill. Yesterday and again today there was some suggestion it was not large enough. The hon. member for Burnaby-Coquitlam expressed this view. I

was pleased that the hon. member for Victoria-Carleton took the view that it was a reasonable sum at the present time having regard to all the circumstances. He has had a lot of experience and it comforts me to feel that on this particular measure we are in agreement.

I wish in closing to repeat that when this fund, which is not yet all committed though about $90 million is and which is to be replenished by a further $50 million if parliament sees fit to allow it, needs further strengthening, then if the present government is here and if I am the minister responsible for the board, as I hope to be, I shall not hesitate to come back to parliament and ask for more provided I believe the board is doing a good job and getting results. If results are not being achieved it would, of course, be irresponsible to do so. But I am confident they will be, and I have no doubt that the government of the day, whatever government it may be—I am fairly sure it will be a Liberal government—will be back with a similar measure before long because we shall find things to do with this money which will contribute to the growth and development of the whole Atlantic region and, in doing so, to the growth and development of the whole of Canada including the Lake St. John area.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1—

Mr. Douglas: Mr. Chairman, the Minister of Transport took some exception to my statement that I did not think there was adequate co-ordination between the Atlantic Development Board and the Department of Industry. Then he proceeded to make a speech which completely proved my statement. He said the two organizations had different purposes. Surely this proves a lack of co-ordination.

Mr. Pickersgill: Would the hon. gentleman permit a question? How can you co-ordinate two things which have the same purpose?

Mr. Douglas: They are parallel but not different purposes. The minister laughs.

Mr. Pickersgill: I did not laugh.

Mr. Douglas: The chaotic situation which now exists is the result of the complete refusal of the government to face facts. The minister's statement that the Department of Industry and the Atlantic Development Board have different purposes explains fully the situation in the maritime provinces today. These organizations have parallel purposes. One is concerned with industrial development for Canada as a whole and the other is concerned with the same thing on a more intensive basis in a specific region.

Mr. Pickersgill: It is not exactly the same thing at all.

Mr. Douglas: Well, they ought to be doing the same thing.

Mr. Pickersgill: Does the hon. gentleman not recognize a clear distinction between what the Atlantic Development Board is doing in providing general support for the Atlantic economy and the specific purpose of the area development agency for designated areas, which is to provide grants to specific industries? It is true these activities have to be co-ordinated closely but they are quite distinct.

Mr. Douglas: Surely it must be apparent to the minister that the objective of both the department and the board is the economic growth of the area, the promotion of industry and the providing of employment. The board does it by means of grants and loans to specified industries. The Department of Industry has charge of the whole area of industrial promotion. Here is a department setting up criteria for designated areas which run absolutely counter to the policies established by the board.

The minister says the standards established for designated areas must be uniform across Canada. The board, on the other hand, was set up because the government was convinced this was a particular region which needed special help. Surely a department interested in promoting industry all across Canada has to take account of the fact that this is a region which the government has recognized as being one in need of special consideration. If it were not, the board would never have been set up to promote industrial development there.

The fact is the minister is trying to defend a formula in the Department of Industry which is completely unrealistic and runs at cross-purposes to the function of the board. The board was set up by parliament to look upon the Atlantic provinces as being a region with special problems. You cannot deal with these problems by cutting up the Atlantic provinces into areas, excluding some of their principal cities and proceeding on a piecemeal basis.

Mr. Pickersgill: Does the hon. gentleman not think that even within the Atlantic region it would be desirable to raise the economic level of those parts where there is heavy unemployment?

• (5:00 p.m.)

Mr. Douglas: But it can only be done by treating the region as a whole. The minister must be aware that you cannot cut up the country into townships and say we will deal with the number of unemployed in each township. Industries attract other industries. You have to start from where the industries are and have them spread out all over the area. A whole region's economic development must be planned as a unit, not by townships or counties. Of course it is true that in wealthy provinces there are also areas with specific problems because of certain circumstances, such as the Lake St. John area, but the government and this parliament have recognized that the Atlantic provinces have a special problem, a general disparity of income and productivity in relation to the rest of Canada. Having recognized this and appointed the board to make plans, and the provinces themselves having set up APEC, surely it is ridiculous on the other hand for the Department of Industry to be operating on an entirely different premise and on a formula which does not make sense in the light of the regional planning already established by the Atlantic Development Board and APEC?

The minister has taken exception to my referring to this $50 million as a driblet but $50 million in terms of the industrial development of four provinces over the next four years is a driblet. The minister has talked about how careful he is in money matters and of his background in northern Manitoba. I come of a race that is pretty careful about money too, but when the government is buying bomber planes $50 million is small change. When the government brings down the defence budget not $50 million but $500 million goes very quickly. In many areas of expenditure $50 million is treated as chicken feed.

All I am saying is that $50 million to meet the industrial development needs of the Atlantic provinces over the next few years is not adequate. If the board has not got plans that demand more money, and the minister is the only one who can be aware of that, then of course $50 million is what they need. I know it takes time to complete development studies. You just cannot put your hand on a shelf and pull off a lot of industrial development projects. It takes time to conduct feasibility studies and market research.

I want to compliment the board and the minister on the work that has been done, but the basic work having been done the board ought now to be encouraged to move forward with the utmost possible speed and ought to be told that $50 million is not in our opinion anything like the limit we are prepared to set and that further considerable sums of money will be available. If that is not done, then not only will the disparity between the Atlantic provinces and the rest of Canada remain but the gap will widen, and as the gap widens national unity is thereby weakened.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Pickersgill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

NATIONAL ARTS CENTRE

ESTABLISHMENT OF CORPORATION FOR ADMINISTRATION AND OPERATION

The house resumed, from Friday, June 10, consideration in committee of Bill No. C-194, to establish a corporation for the administration of the National Arts Centre—Miss LaMarsh—Mr. Rinfret in the chair.

The Deputy Chairman: When the committee rose on Friday, June 10, the title, clause 1 and clause 4, with an amendment to the latter, had been allowed to stand. On clause 4 the hon. member for Levis had moved an amendment as follows:

That clause 4 of Bill C-194 be amended by adding thereto the following paragraph:

In the appointment of members and officers of the corporation, due account will be taken of the linguistic duality of Canada and its cultural plurality.

On clause 4—*Appointment of chairman and vice-chairman.*

Mr. Pearson: Mr. Chairman, there has already been some discussion of this clause and the amendment in question which you have

just read, which is to the effect that in the appointment of members and officers of the corporation due account will be taken of the linguistic duality of Canada and its cultural plurality.

In this clause and this amendment we are dealing with a corporation which will have management responsibility for a cultural activity in our national capital that will, I am sure, be of significance and value to all of Canada. I am sure all members of the committee recognize that in the membership of boards and agencies of the government, and in particular in the membership of the board of this particular corporation, there should be as broad representation as possible of our cultural variety, something that adds strength, colour and greatness to our Confederation.

I am sure we also recognize that the membership of a board of this kind should reflect the two official languages which signalize the dualism of our political origins and recognize that French is the language in this country of a cohesive cultural group, customarily used by a large majority in one province and by a very large minority in another province.

In the membership of boards and federal agencies this duality of language and also our plurality of culture are now recognized in fact, as I could show by referring to the composition of such agencies. I have studied all of the existing federal agencies and there is no doubt that these considerations are recognized in the appointments to these boards. However, Mr. Chairman, I think it is unwise and also unnecessary to include commitments relating to recognition of this kind in legislation itself, as my right hon. friend pointed out the other day, because in my view this could freeze a situation in a way which might hinder rather than help the achievement of the objective we have in mind—which is broad representation with appropriate recognition of the two official languages.

• (5:10 p.m.)

This principle of representation, as I said, is now accepted in practice and in custom. Sometimes practice and custom become very deeply embodied in a constitution, sometimes even more deeply embodied in a constitution than are some of the actual provisions of that constitution. As this now has become embodied by practice I suggest it might have a disunifying rather than a unifying effect to write it specifically into an act of parliament as a legislative obligation. It could lead later to misunderstanding rather than greater understanding between English speaking and French speaking Canadians.

I can only give a specific assurance, and I am very glad to do so, for the present government, but I am quite certain any Canadian government will always take due accord of the linguistic and cultural factors mentioned in the amendment in respect of the appointment of the members and officers of government boards and agencies. I think that anyone who studies the appointments which have been made over the years will be assured that this is being done. I do not think there can be any possible doubt on this score for the future.

In the circumstances, Mr. Chairman, while recognizing the essential desirability of the principle and while certainly accepting the good intentions and worthy purpose of the hon. member who has moved the amendment, our colleague from Lévis, nevertheless many members of the house are worried about the implication which might be read into its incorporation in legislation and perhaps the harmful effect of a recorded division on such a vote in this house. It is because of considerations of that kind and not because I am in any way, shape or form opposed to the principle involved in the amendment—I am sure no member of the committee is opposed to the principle involved in the amendment —that I would not be able to support the amendment. Yet, it would be very difficult indeed to vote against it because of the considerations I have mentioned and because of the principle involved.

So I venture to ask the hon. member for Lévis whether in the circumstances he would ask leave of the house to withdraw his amendment.

[*Translation*]

Mr. Guay: Mr. Chairman, over a week ago I moved an amendment to clause 4 of Bill No. C-194 so that the appointments made under the said clause would take into account Canada's linguistic duality and cultural plurality.

Never at any time did I believe that such an amendment could result in appeals and assure us that the principles put forth would be judicially respected. I was merely trying to elaborate the embryo of a general policy which would apply in federal institutions.

Since the Prime Minister of Canada (Mr. Pearson) has just announced formally and

officially to the house the government policy on the important matters which were the subject of my amendment, there is no doubt that my objectives have now been achieved. I could even say that they have been more than achieved, since my amendment applied only to a single piece of legislation.

In the circumstances, I cannot see any reason for maintaining my amendment and I therefore ask the unanimous consent of the house to withdraw it.

The Deputy Chairman: Order. I must ask hon. members of this house if they agree to the hon. member for Lévis withdrawing his amendment.

[*English*]

Is it agreed that the hon. member has leave to withdraw his amendment? The right hon. Leader of the Opposition.

Mr. Grégoire: On a point of order, Mr. Chairman—

Mr. Diefenbaker: Mr. Chairman, the house has seen a most unusual—

[*Translation*]

The Deputy Chairman: The hon. member for Lapointe on a point of order.

Mr. Grégoire: Mr. Chairman, you ask whether the hon. member has the unanimous consent of the house to withdraw his motion. Well, he does not have it from our group and I would like to explain why we are not ready to allow the hon. member for Lévis (Mr. Guay) to withdraw his motion.

I listened with great interest to the Prime Minister's statement, especially when he said that any government would take into serious consideration the factor—

The Deputy Chairman: Order. I regret to interrupt the hon. member for Lapointe but I had recognized the Leader of the Opposition (Mr. Diefenbaker). And I understand very well the point he just made to the effect that—

Mr. Grégoire: The amendment is not withdrawn?

The Deputy Chairman: The amendment has not yet been withdrawn because unanimous consent has not been given. It may or may not be given later on.

[*English*]

Mr. Diefenbaker: Mr. Chairman, the hon. gentleman of course has made his position very clear and no doubt he will amplify it. It is not for me to argue the case. When this matter came before the house I took strong opposition to it. On June 10, at page 6252 of *Hansard*, I pointed out the dangers in this type of amendment. The Prime Minister has now seen fit to agree with the contention I advanced and which I believe was in the interest of our country as a whole.

It is of interest that the minister of manpower is not in the house, for he followed me on that occasion and spoke eloquently and succinctly. He said:

> In its present form, the amendment contains nothing of a racial nature.
>
> Mr. Chairman, in conclusion, I just want to say that, personally, I would have preferred this amendment not to be presented to the house, but since it is before the house, I do not see how I can be against it and I shall vote for it because, as there are real grievances in this field, it would mean that the house does not heed these grievances but rejects them altogether.
>
> Therefore, I shall vote for the amendment, although personally I wish it had never been presented.

We find a most anomalous situation. When ministers speak on matters connected with legislation they speak for the government. That is the constitutional position. Now we have a position of affairs where a minister purported to speak for the government and said he was going to vote for this amendment. In his absence today the Prime Minister has asked for the withdrawal of the amendment, to which the hon. gentleman who moved it agreed.

• (5:20 p.m.)

This is a most unusual step in constitutional development. I would very much like to see the minister of manpower here to ascertain whether in the intervening two weeks or so since he expressed himself on this matter he has seen the light.

Mr. Pearson: He said he preferred to have it withdrawn.

Mr. Pickersgill: He said it at the time.

Mr. Diefenbaker: I missed the interruption.

Mr. Pickersgill: Mr. Chairman, the right hon. gentleman read his words and he said he wished it had never been moved, so he is getting exactly what he asked for in having it withdrawn.

Mr. Diefenbaker: The aroused nature of the hon. gentleman indicates that I have touched a tender spot. He never rises and becomes so

obviously excited unless there are reasons. Indeed, I hear, and only by that rumour that flows about the House of Commons at all times, that there have again been strong divisions on this subject among members of the cabinet.

Mr. Pearson: You are an expert on that.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —and it is very obvious now that there have been. The Prime Minister laughs. The press references of the last few days have given strong support to the tremendous division that is apparent to anyone who watches this government from day to day. When the minister of manpower spoke, does the Prime Minister say that he did not speak for the government? Does the Prime Minister say that when ministers speak they do not speak for the government? Yet, if the minister of manpower were here on this occasion, conveniently absent as he is, and there were not unanimous agreement for withdrawal he would find himself in a most unusual predicament constitutionally. This is not unusual so far as this government is concerned. Only a few days ago, on the question of loans to university students, the Minister of Finance brought in the legislation and the Minister without Portfolio proceeded to advance his ideas of changes that should have been in the bill and were not. This is a most unusual idea and concept of cabinet solidarity.

The Prime Minister has expressed himself clearly and definitely. I do not know what will be the position of the minister of manpower. No doubt he will learn his first constitutional lesson, that ministers ought not to rush in where angels fear to tread. The Prime Minister today in a very diplomatic speech reviewed the dangers inherent in this amendment. I am glad that he has taken this stand. If withdrawal of the amendment is not accepted by the house and it is passed, it will lead to an ethnic formula as a qualification for the filling of positions on boards.

Mr. Pickersgill: There is nothing ethnic in it.

Mr. Diefenbaker: It would mean that racial origin and not ability would be the criterion for appointment. It would place race against race in competition for the filling of positions. It would accentuate cultural differences. It would Balkanize this nation in so far as appointments are concerned. In the national interest the varied racial resources of the nation should be pooled rather than isolated one from the other. The richness and diversity of the cultural heritage of the various ethnic groups should be preserved. In that way Canada will be enriched.

The English and French have their constitutional rights. Those are unchanged and unchangeable. To accept this amendment would be the prelude to debasing Canadianism. I am glad that the Prime Minister saw fit to take a strong stand on this matter and I hope that the request of the mover of this amendment for consent to its wihdrawal be accepted.

This kind of thing started off when there was before the house a bill in connection with the Ottawa Terminal Railway Company. We have not heard anything about that bill since the month of March. There for the first time this type of concept had its beginning. I do not know whether the bill regarding the Ottawa Terminal Railway Company is going to remain on the order paper and then die a natural death when this session comes to an end, but having regard to its having been in a state of suspended animation for April, May and June, over three months, I would take it, in view of the attitude of the Prime Minister today, that the Ottawa Terminal Railway Company bill will be one of those things that had its day and then passed away.

I support the Prime Minister in the general expression of his viewpoint on this amendment and would hope that the hon. member for Lapointe would be willing to join in agreeing to the withdrawal of an amendment which if voted on can only lead ultimately to serious consequences to national unity and in that relationship that should prevail among all Canadians regardless of their racial origin.

Mr. Knowles: Mr. Chairman, in a very brief moment may I too applaud the statement that was made by the Prime Minister. I think it was the proper kind of statement to make on a matter of this sort. I should also like to support the hon. member for Lévis in his request to the house that withdrawal be consented to. I hope that request will be met.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I listened with great interest to the statement made by the Prime Minister (Mr. Pearson) and to the one made by the Leader of the Opposition (Mr. Diefenbaker).

National Arts Centre

The Prime Minister said that any government, including the present government, will from now on have to take into consideration the bilingual and bicultural factor which exists in Canada, and that the present government did so in the past when appointing directors to crown corporations. Those are wonderful statements but the facts should be examined first and then we can judge.

The Leader of the Opposition spoke a little earlier about the bill to incorporate the Ottawa Terminal Railway Company. Well, if you study what happened in that case, you will see that the facts contradict the ideas set forth today.

When the Ottawa Terminal Railway Company was to be set up, the standing committee on railways passed an amendment asking that at least two French speaking members be appointed to the board of directors. And that was agreed to by the majority of the committee members.

That bill was discarded last year; it was not reintroduced in the house and, this year, a new bill comes back without the amendment. Why? Because the directors to be appointed had been contacted beforehand and there was not a single French speaking Canadian among them.

Therefore, in that case, the facts were at variance with the fine statements. If that was asked for, if that was voted in the committee, it was precisely because the directors of the Ottawa Terminal Railway Company had been approached and appointed even before the company or the corporation was instituted and when the members of the committee asked that there be French Canadians, the Minister of Transport (Mr. Pickersgill), who is here, could not but object, since they had approached and appointed the directors of that corporation and there was no French speaking Canadian among the members of the corporation, and that was said in the committee.

In that case, I think everything is clear. Let us examine other crown corporations. When, after the statement of right hon. Prime Minister (Mr. Pearson), I look at the executive directors of Air Canada, the president, vice president in charge of sales, operation, finance, vice president in charge of business, stores, vice president in charge of administrative services, director of public relations, secretary, chief solicitor and general counsel, they are the directors but none of them is a French Canadian. Not a single French speaking Canadian.

[Mr. Grégoire.]

If the Prime Minister wants names, I have before me the list published in the latest 1966 report of Air Canada. This should be enough to convince the Prime Minister.

But, let us look at some others. Polymer Corporation Limited, another crown corporation. President and managing directors, five vice presidents, treasurer, secretary and solicitor, not one French speaking Canadian. Not a single one. Another crown corporation.

Let us take another crown corporation. Eldorado Mining and Refining Limited, not one French speaking Canadian among the directors of this crown corporation. Are not these facts inconsistent with the statement of the Prime Minister?

• (5:30 p.m.)

The facts are at variance with the statements. In the Canadian National Railway Company, two French Canadians out of 17. In the Bank of Canada, only one French Canadian among the directors; none in the management.

Despite these facts, fine statements are made to the effect that our government and any government shall take into consideration the bilingual factor in Canada.

Well, this has not been done in the past. It is precisely because it has not been done that it is time to spell it out in legislation, because it has not been put into practice.

That is why we object to the withdrawal of the motion, because in spite of all the statements, it has not been done and it is not being done now, any more that it was done in the past.

The facts prove it. I do not say that we accept all of the motion or of the amendment of the member for Lévis (Mr. Guay). No, there is something ridiculous in his amendment.

For instance, when he mentions the linguistic duality of Canada, we agree. But when he refers to cultural plurality, what in the world is it? Either we have culture or we do not. Some people have culture. Some do not. But cultural plurality, what does that involve?

You may be a man of culture, be a French Canadian and listen to Italian opera, and you have culture even if you are listening to Italian opera.

You may be a French speaking Canadian and listen to the works of Shakespeare, in English, and then you have culture. But it does not mean that you have cultural plurality. You either have culture or you do not. That is all.

A French speaking Canadian may also have the mentality to listen to go-go music and then, he will have go-go culture. But that is not necessarily culture. And then, we are told about linguistic duality and cultural plurality. But what in the world has cultural plurality to do with this?

One cannot have several cultures. One has culture or one has not. Our culture includes Italian opera and English theatre and German opera and French opera.

The works of the Italian painters and Beethoven's symphonies. There is no language involved. It is not spoken. Are you going to tell me what is included in an exclusively German culture? Not at all. Music has no frontier. What does cultural plurality consist of? Does that mean that you can be cultured or not be cultured? To be half cultured? Or be cultured in several ways? Not at all. One either has culture or not at all. Period.

Now, in view of the facts and after the statement of the Prime Minister, after the facts I brought forward contradicting the statement of the Prime Minister—and I challenge the Prime Minister to question what I have mentioned, I have the names here and I can name them in the house and he will see that I am right.

After what happened concerning the Ottawa Railway Terminal, I feel we must retain an amendment before the house, but an improved amendment which will not foster racial discrimination in the country and will not be prejudicial, not to unity, in which I have never believed, but to the understanding which may exist.

That is why I wish to move a subamendment to the amendment of the member for Lévis. I move, seconded by the member for Sherbrooke (Mr. Allard), that:

All the words, after the word Canada, be deleted.

So that the amendment will be worded as follows:

In the appointment of members and officers of the board, the linguistic duality of Canada will be taken into account.

Period. And the following words "and of its cultural plurality" will be struck off.

Even though the linguistic duality of Canada is taken into account, we do not discriminate against anyone. English and French are recognized as the two official languages of Canada and when a piece of legislation provides that, in the appointment of the directors of the National Arts Centre, the linguistic duality must be taken into account, no racial discrimination is involved. There is no ill-will in this.

Other racial groups in Canada will not seek revenge, because when they first come to Canada, they know this is a bilingual country with two official languages, French and English.

I feel that with this amendment, the amendment of the member for Lévis should be maintained and passed by all members of the house. In the future, we shall probably see more directors and executives able to speak both languages within crown corporations.

We, the members of the standing committee on trade and finance, recently visited Expo '67. We met there several directors and most of the people we met were bilingual, could speak French and English. They will be better able to welcome the visitors, to fulfil their duties, and we believe that, in the case of all crown corporations, such as Expo '67, by beginning with a legislation dealing with a corporation which is being created, which does not exist yet, and including that, we will reach that objective for that corporation and it will probably be desirable and preferable to include the same provision for all future crown corporations.

[*English*]

Mr. Mackasey: Mr. Chairman, I have listened with great interest to the predictable remarks of the hon. member for Lapointe. I say "predictable" because they are so constant. He continues a never-ending struggle for the recognition of what might be called "the French fact", and I have applauded the hon. member's efforts in the past. However, I wonder whether at times the hon. member for Lapointe, in his enthusiasm to bring about better understanding between the English and the French not only in the province of Quebec but in the whole of Canada, hurts this cause instead of helping it. I wonder whether he should not consider, as I do, that when he insists on the appointment of French speaking Canadians on the boards of directors of crown corporations he is, without realizing the fact, actually insulting the very people he has been elected to protect.

• (5:40 p.m.)

I consider that any legislation making it imperative for a French speaking Canadian to be on a board of directors, not necessarily

because of his intelligence or because of the contribution which he could make to that board—

[*Translation*]

Mr. Grégoire: Mr. Chairman, would the hon. member allow me a question to prevent him from misunderstanding the meaning of our remarks. He will notice that the amendment speaks not of French Canadians or English Canadians but says that the linguistic duality must be taken into consideration. An English Canadian can speak both languages and then the linguistic duality is taken into account. A French Canadian can speak both languages and, there again, the linguistic duality is taken into account. I would like the hon. member for Verdun (Mr. Mackasey) to take that into consideration.

[*English*]

Mr. Mackasey: Mr. Chairman, the hon. member for Lapointe has made his speech once and he is just summarizing precisely what he said 20 minutes ago.

The point I am trying to make, whether the hon. member for Lapointe likes it or not, is this. Having lived perhaps longer in the province of Quebec than he has, since I may be a little older at 44 years of age, I do not consider myself any less a Quebecker by reason of the fact that I was born of Irish parents than the hon. member who by accident was born of French-speaking Canadian parents. Furthermore, there are times when I listen to the hon. member for Lapointe and consider that I have more respect for and understanding and appreciation of the contribution French speaking Canadians have made to Canada than he has.

I think that any crown corporation in this country, whether it be a new crown corporation or an existing one, that numbers French speaking Canadians on its board of directors does so not because of ill-founded legislation which makes this imperative but because that crown corporation realizes that French speaking Canadians as well as English speaking Canadians have something worth while to contribute to the corporation. If we are ever to have a united country, Mr. Chairman, it is time that we stopped trying to legislate this type of thing into our statute books. You do not overcome prejudice by the statute books; you overcome it by practice and understanding.

The point which the hon. member for Lapointe seems to forget is that French speaking Canadians, under the present terms of the British North America Act, have risen to positions of great prominence in this country not because there has been an amendment to a bill or because of a particular term in the constitution or the constitution of a corporation making it imperative that they be appointed. The hon. member mentions corporations which do not include French speaking representation. What about the President of the Canadian Broadcasting Corporation? What about Mr. Roberge, President of the National Film Board? What about the Governor General of this country whom the Leader of the Opposition saw fit to appoint as the first French speaking Governor General of Canada? What about former Prime Minister St. Laurent? What about the contribution of General Allard who has just become the top soldier in the country? Were these appointments made through legislation? What about French Canadian representation in the Supreme Court of Canada, not forgetting the Chief Justice himself?

I suggest, Mr. Chairman, that these people did not go home, having been appointed to these positions, and hide behind some legislation. These people were appointed because of their ability and the fact that they were Canadians foremost and Quebeckers second. I suggest it is time that the hon. member for Lapointe became a Quebecker second and a Canadian first.

I stood up in this house not yesterday but three years ago and asked the house when we would eliminate the English separatists in Canada. I predicted that French speaking separatists would disappear and I am glad to repeat this prediction today. But there are times when I wonder whether the hon. member in the corner, in fighting his battle for an associate state, realizes that he is abusing the very mandate which the people of the constituency of Lapointe gave him to come here and represent them in a united Canada. That is his mandate. It is not to use every little piece of legislation which comes forward to drive home what all French Canadians are entitled to and are not entitled to.

I submit, Mr. Chairman, that French Canadians are entitled to the same things as I am. They are entitled to make their mark in life in the same way as I am, namely, by hard work and recognition of ability. If we are to have the unity that all of us want, regardless of where we sit in the House of Commons, it is time we stopped putting a prefix to the word Canadian. We are all

Canadians. All that this bill seeks to do is to provide that every director on the board of the national arts centre shall be a Canadian.

I do not like losing my temper on a matter as important as this but I should like to say in conclusion that this type of discussion is pursued quite frequently. I have discussed this question in groups of 2, 3, 10 and 20. Usually a discussion of this nature starts in a friendly fashion but then gets down to the real thing, dividing this country.

What is separating this country are the callous politicians who use lack of education in certain parts of the country, politicians who use bigotry. As I go across this country I condemn English speaking politicians who use prejudice against the province of Quebec and French Canadians for political reasons. However, I suspect many French speaking Canadians are equally as guilty as many English speaking politicians in resorting to prejudice for short gain and temporary political advantage.

The history of Canada is punctuated with the exploits of French speaking Canadians. I do not have to reiterate for the benefit of the members of this house the contributions of such great people as Champlain, Cartier and Montcalm. However, I think it is time that French Canada shook off its inferiority complex and realized that there is a place in Canada for people of talent and ability, whether they be French, German, Jewish, Ukrainian or Irish.

• (5:50 p.m.)

[*Translation*]

Mr. Favreau: Mr. Chairman, I rise to disprove in a few words some of the entirely inaccurate assertions made a while ago by the hon. member for Lapointe (Mr. Grégoire). According to him, the Prime Minister asserted that French speaking Canadians had been appointed to all commissions or crown corporations.

What the Prime Minister pointed out very clearly and explicitly is that, in the last three years, the policy advocated in the submitted amendment has been followed by the government. That is what he said and he indicated thereby the definite intention of the government to pursue the same course.

Mr. Grégoire: Mr. Chairman, I rise on a point of order. If the President of the Privy Council was here, then he has put into my mouth words which I never uttered. I have never said that according to the Prime Minister French Canadians had been appointed to all the crown corporations. I said this: the Prime Minister stated that his government must give due consideration to the bilingual element in Canada; after which I mentioned some crown corporations, to prove that it has not always been the case.

Mr. Côté (Longueuil): Mr. Chairman, on the same point of order. The member for Lapointe used the same text to name crown corporations founded 20 years ago which the Prime Minister used when he said that for three years now, the government had followed that policy of bilingualism in its appointments to crown corporations.

Mr. Favreau: In any event, figures and statistics clearly indicate not only that the government intends to implement this policy, but that it started doing so three years ago. The member for Lapointe said something interesting in this connection. He said that in the case of the corporation for Expo '67 all its members are bilingual, and this, mark you, expresses the aforementioned policy.

Mr. Grégoire: I should like to ask the President of the Privy Council to again quote me correctly I mentioned the majority of the members we met, we did not meet them all. That does not mean all the members of the corporation are bilingual. I should ask the President of the Privy Council to quote me correctly. I said the majority of the members of Expo that we met.

Mr. Favreau: The hon. member for Lapointe will not go as far as to deny having met certain of the members appointed by the federal government and yet those—he admitted so himself a while ago—meet the requirements that his amendment or sub-amendment seeks to legislate into the statute books. Besides, since 1963, five French speaking deputy ministers, five bilingual deputy ministers have been appointed by this government. I think one must at least recognize what statistics, what the actions of the government, clearly evidence: the policy which the right hon. Prime Minister wants to see implemented is already implemented, and will continue to be implemented under this government.

Mr. Allard: Mr. Chairman, several months ago, when the Prime Minister set up a Commission on bilingualism and biculturalism, millions of Canadians welcomed that initiative. Last April 6, when he introduced his policy on bilingualism within the public service, millions of Canadians also welcomed

that step. This is not the right time to discuss the implications of that policy. But I am wondering why the Prime Minister, through the request he is now making to the hon. member for Lévis (Mr. Guay), objects today to translating explicitly by an amendment or in a bill the application of bilingualism which is asked for.

I understand the Prime Minister's argument who speaks of tradition, custom and also the argument made by the President of the Privy Council who says that the government intends to do it.

But that is precisely the question, namely the intention. If we must wait another 100 years, as we have already done, to realize the unfairness and the unequal treatment given us under confederation, that is precisely what we are complaining about.

I feel that the amendment moved by the hon. member for Lévis is certainly not a factor of dissension; on the contrary, no one should be afraid here in Canada once and for all to show his good faith and to include in the statutes standards, provisions to stress Canada's bilingual and bicultural character. The Fathers of Confederation had more courage in 1867 than we have now; they were not afraid to include section 133 in the constitution to stress in the federal stronghold of the central government, here in Ottawa, the bilingual character of Canada.

I cannot understand that argument of the hon. member for Verdun (Mr. Mackasey) when he says that the amendment moved by the hon. member for Lévis is an insult to French Canadians; in my opinion, it is the most ridiculous argument which can be used with regard to the dissatisfaction which we have been feeling about confederation for a hundred years. On the contrary, it is that state of affairs which is an insult to us, Mr. Chairman, because we have always been kept away from top posts not only in the civil service but also in crown corporations.

Following the hon. member for Lapointe, I would like to quote other examples to show, figures in hand, the reality and positive side of our dissatisfaction. For instance, in 1960, the "Conseil de la vie française en Amérique"—the President of the Privy Council and the hon. member for Verdun will admit that it is a responsible and first class organization—submitted a brief to the then prime minister in which it was established that there were practically no French Canadians to be found on boards or in departments.

You can see the figures on page 18 of a booklet I wrote which is entitled "La dernier Chance" which you can find here in the library, in both French and English.

Here it is

	Total	French Canadians
Department of Insurance	5	0
Export Credits Insurance Corp.	10	2
Atomic Energy of Canada Ltd.	15	0
Industrial Development Bank	6	0
Canadian Commercial Corporation	8	0
Farm Credit Corporation	6	1
Defence Construction Ltd.	8	0
Atomic Energy Control Board	8	1
Polymer Corporation Ltd.	7	0
Canadian Overseas Telecommunications	5	0
Northern Ontario Pipe Line	8	0

Mr. Chairman, that is what we object to and we ask all members, in good faith, to agree to insert our claims in the wording of the legislation, in short not to leave to the whims and to the political ups and downs that occur in all governments that followed on each other in Ottawa, the recognition of equal treatment to French Canadians, to the other culture and the other official language of the country.

If French Canadians are to play a dynamic role within the Canadian confederation, they must be treated as equals and not in this underhand manner with the implication that they are always being kept apart.

That was a welcome and praiseworthy undertaking on the part of the hon. member for Lévis, a member of the present government, and today I am sorry that he will have to withdraw his amendment under pressure. I cannot in any way accept the reasoning of the right hon. Prime Minister.

Mr. Guay: On a question of privilege, Mr. Chairman.

The Chairman: Order. I would ask the hon. member for Sherbrooke to resume his seat. The hon. member for Lévis has a question of privilege.

Mr. Guay: Mr. Chairman, contrary to what the hon. member for Sherbrooke has just stated to the effect that I am withdrawing my amendment under the influence of certain pressures, I state that the contrary might be true. It may be through certain representations that for the first time, the government has laid down before the house the policy and the guide lines which will henceforth inspire all appointments to all crown corporations.

That was accomplished in the house and in no way as a result of pressures or representations.

Some hon. Members: Hear, hear.

Mr. Allard: Mr. Chairman, I wish to point out, first of all, that this is not a question of privilege. If the hon. member wishes to speak once more to these amendments, he has the privilege to do so. But it is clear to me, as I was in the house, that the right hon. Prime Minister asked him or invited him to withdraw his amendment. If that is not pressure, if it is not an invitation or a request, it is actually as a result of the invitation of the Prime Minister that the hon. member for Lévis, having taken such action the other day, withdrew his amendment today.

[*English*]

Mr. Starr: Mr. Chairman, I rise on a point of order. We are getting close to private members' hour. I know that hon. members are emotionally upset about this subject, which should be debated in a cooler atmosphere at some time in the future when an opportunity can be given to everyone to express his views, but I wonder whether hon. members would not co-operate. We are on the last clause of this bill. Could we not pass it, give third reading to the bill and go on with other business of the house?

• (6:00 p.m.)

[*Translation*]

Mr. Allard: Mr. Chairman, I think the best way to co-operate in order that this bill and the amendment may go through quickly, is to let the hon. members who have been recognized conclude, so that they may complete their argumentation. We do not intend to do any obstructing, but if our voice and reaction seem somewhat impassioned, it is with figures to support assertions that we say once more, while standing in this house and looking at all the hon. members: For 100 years, discrimination and injustice have been shown against French Canadians and they have been left out of the main crown corporations and the federal public service. We are here to ask for justice, in full light and in good faith, and that is the reason why the hon. members should at last support an amendment such as this one, which will not create disunity. How can sanctioning a fact that we are merely being asked to accept as usage cause disunity? It is a feeble argument which we cannot accept. That is why, in closing to allow other members to rise, I ask the house to support this amendment and add that I was pleased to support the subamendment of the member for Lapointe.

The Chairman: Is the house ready for the question on the subamendment?

Mr. Langlois (Mégantic): Mr. Chairman, this is the first time I have risen in this house to speak on such a topic.

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

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Vancouver-Burrard (Mr. Basford), Water Resources—sale of Canadian water; the hon. member for Hamilton South (Mr. Howe), Health and Welfare—request for grant for retarded and disturbed children; the hon. member for Greenwood (Mr. Brewin), Canadian Constitution—suggested study by parliamentary committee.

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

PRIVATE BILLS

INTERPROVINCIAL PIPE LINE COMPANY

The house resumed, from Thursday, March 10, consideration of the motion of Mr. Wahn for the second reading of Bill No. S-10, respecting Interprovincial Pipe Line Company.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, this bill has been discussed on several occasions and I for one would like the opportunity to consider the procedure that is involved here and the basic reason for the proposition we are asked to support.

I object to this bill as it stands and I believe further consideration should be given to it. The argument put forward by this company is that it ought to be given authority to split its shares so as to give a greater opportunity for participation by the public. I note, however, that there are at the present

time shares available in the treasury of the company which could be issued at any price desired. They could be offered on the public market if it were felt there should be greater public participation. I am at present gathering together all the documents available on the subject intending to make a full and detailed examination of them so as to find out exactly what is involved in the bill before us. Many hon. members who have already looked into this question appear to be most reluctant to pass the measure as it stands. The argument that the company desires to divide its shares in order that there may be wider participation in its affairs is not good enough, bearing in mind that it still has unissued shares in its treasury.

Let me read clause 1 in which the main content of the bill is to be found. It states:

> Notwithstanding anything contained in section 3 of chapter 34 of the statutes of 1949 (1st session), as amended by chapter 66 of the statutes of 1952-53, each of the issued and unissued shares of the capital stock of the Company of the par value of five dollars is hereby subdivided into five shares of the par value of one dollar each, so that the capital stock of the Company shall be two hundred million dollars divided into two hundred million shares of the par value of one dollar each.

The company has, of course, the right to ask this treatment and we have the right to permit it. But we should also have the right to scrutinize these things closely in order to find out precisely what is involved. I am anxious to do this but I cannot do so at the moment because I have not had time to complete my study of this measure. I intend to do so and to speak on it at some length on a future occasion. I therefore wish to move:

> That this bill be not now read the second time but that it be read the second time this day six months hence.

• (6:10 p.m.)

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

Mr. McNulty: Mr. Speaker, I object to a vote being taken at this time.

And more than ten members having risen:

Mr. Peters: On a point of order, Mr. Speaker, I do not think that the vote has been called and I wish to speak to the amendment.

Mr. Deputy Speaker: Order. The amendment is, of course, a debatable one. Any objections to the taking of a vote will be noted at the time when the vote is to be taken. The hon. member for Timiskaming.

[Mr. Langlois (Mégantic).]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think the amendment is a good one. For some time Interprovincial Pipe Line Company has been making representations to parliament to have a bill passed permitting a split in the company's stock. On a previous occasion the company received parliamentary approval for a ten to one stock split and it is now seeking an additional five to one stock split. In my opinion some of the information it has provided to us does not bear close scrutiny and the company should be given an opportunity to reconsider the matter.

When this bill was first introduced we were told that the stock split was to allow closer participation by the employees of the company and better benefits for them in a profit-sharing program. I have here a copy of the questions asked by the company of its employees and the answers to those questions. In the main they were something like the stock question, Have you quit beating your wife yet? If the employee replied yes he admitted he had been beating her and if he said no it meant he had not stopped beating her. Later other reasons were advanced in favour of the stock split.

At present the company has 40 million shares with about 5 million distributed and the balance retained in the company treasury. Under the terms of this bill the number of its shares would be increased to 200 million, which seems an unreasonably large amount of stock to have floating around. I believe the company is at fault in seeking passage of this bill without saying what it proposes to do with the stock now held in its treasury.

I have been told by lawyers knowledgeable in this field that normally when a company asks for a stock split and already has a large number of shares in its treasury or in escrow, it seeks to reduce the number held in that manner. This company has a limited number of shares on the market available for public subscription, with the aim of establishing a good paper value for its stock. It has given no indication that it will release more shares, and I suggest the very same people will own the available stock after it is split five for one as own it today. They will buy four or five shares at $20 instead of one share at $70 or $80 or whatever the present price may be.

If I were buying stock this is the kind of company I would dream about and recommend to almost anyone. It is a company set up to circumvent certain regulations and it only allows a limited amount of its stock on

the market. When the company was originally incorporated pressure was applied to have it made not only a transmission line for Imperial Oil but also a common carrier subject to the regulations of the board of transport. As it stands, the company could easily secure new capitalization from Imperial Oil reserves. Its bonds carry an interest rate of about 3½ per cent at a time when money cannot be procured even at 7 per cent or 8 per cent. Its bonds are mostly owed to Imperial Oil and leaving aside its unissued stock it is largely a captive company of Imperial Oil. It would be very imprudent to write off 3½ per cent bonds when only one-third of the operation is covered by stock.

• (6:20 p.m.)

I believe that in 1956 or 1957 when the company was incorporated, its treasury stock was selling at $50 a share. The dividends now are well over $3.50. In fact, the balance sheet for 1963 indicates that at that time the stock was paying $3.50 per share. This $3.50 per share was applied to the original stock which has been split ten times. So an original $50 investment now brings in annually in excess of $35. I do not care how stupid the Board of Transport Commissioners is. It could not allow stock that brings in a revenue of $35 a share on a $50 investment. It could not allow this even to the Canadian government. It would think this was rather an exorbitant profit.

What does the company want to do? It wants to split its stock again. Certainly this will reduce the stock to a reasonable price. A person who holds a considerable amount of stock told me it is quite true that you get $35 on your $50 original investment but if you reinvest the dividends you do not get $35 on them. While this is perfectly true, I believe he will find that in a matter of two or three years, if the stock is split, it will reach the level it has already climbed to twice and will produce a fairly reasonable dividend in addition to the dividends on his original shares, which will produce a cumulative dividend on the original $50 investment far in excess of $35. I forecast it may even double, so he may get his $50 back and still have the original $50 investment.

This is an excellent company but I cannot see that it is justified in coming before us with what it considers to be a good proposal when it is asking the Canadian public to allow it to split its stock on the pretext that this will broaden the base at a time when it has 35 million shares in its treasury. It could immediately broaden the base by releasing 5 million shares on the market. That would broaden the base and reduce the price of the stock until it came down to the level they want or they had put the amount of stock on the market that they wish.

I believe the sponsor of this bill has a responsibility to point out many things which have not been pointed out. He has had a close connection with the oil industry for a long period of time. He is well aware of the operation of these companies and well aware of how stock splits operate. You can have as much stock as you want at individual prices but if there are no offerings obviously there can be no purchases unless the price jumps up so high that somebody will make an offer.

Just by cutting down the price you do not necessarily broaden the base. I would imagine that if I had the original shares I would find—I am sure the board of directors so recommended to the shareholders—that the shareholders will be allowed to buy a certain number of shares at a predetermined price if the stock split takes place. I am sure there is an arrangement to take some stock out of escrow or else we would only have an exercise in financing.

I think this company is a good bona fide operation and has very sound stock, but I believe the Canadian people are being cheated when it is said that the purpose of this stock split is to bring the price of the stock down to allow an expanded base. This is not true. It cannot be expanded beyond the amount of stock that is available. While I have not looked at the *Financial Post* in the last few days I would imagine that a normal day on the stock market does not produce a very large turnover in the stock. I would presume this will not change much when the stock is split, if it is split.

I believe the sponsor of the bill should come before parliament and really give us a factual statement why there is not a clause that would eliminate what I would call unnecessary surplus stock. There is no question that this company wants more money for expanded capitalization but they have not asked for that and I do not think it is necessary. I believe they are quite capable of retiring their debt and are quite capable of making a profit in their operation. The way to increase the base, if they wish to do so, is to allow more stock to go on the market. I suggest that if they doubled the amount of stock now available it would not only reduce the price of the stock by 50 per cent but would

reduce it by 200 or 300 per cent and might create a few more obligations with the income tax people and others because there would be an undistributed capitalization in this company which would be rather remarkable.

I am of the opinion, as I believe are many other people, that it is unfair to pick on Interprovincial Pipe Line Company when it comes before parliament, except for one very simple reason. It has come before parliament a number of times and parliament has had to exercise great restraint in rejecting out of hand Interprovincial Pipe Line Company's application each time it has been here. There was considerable difficulty in getting Interprovincial Pipe Line Company to be a common carrier for other oil companies' products so that a rate could be established at the initial stage. You may have read, Mr. Speaker, some of the representations which were made by provincial governments at the time of the formation of the Interprovincial Pipe Line Company and you will be aware of the resistance in this regard.

When the Interprovincial Pipe Line Company came before parliament the last time and asked for a ten to one split they probably assured us and the shareholders that this was necessary to increase the base of the company and increase the number of shareholders. No doubt they also were of the opinion, as they are now, that their stock should be in a range which does not put them in the blue chip level but rather at a normal level. They want it to be an upper class stock but not necessarily on the high level that a price of $80 puts it. I suggest, Mr. Speaker, that the company would be well advised to consider withdrawal of this bill because I intend to move to insert another clause that will demand the redistribution of the stock it now has and this is not what the company had in mind.

• (6:30 p.m.)

Many persons holding stock in the Interprovincial Pipe Line Company have written to me and said, without exception, that the reason the stock is going to be split is to make more money. They are very honest people and I have no objection to this purpose, but I think Interprovincial Pipe Line Company should at least be as honest and say it is going to split the stock because it wants to make more money and redistribute the dividends in a different manner.

I believe the amendment is a good one and should be supported by all members of the house. We are having difficulty dealing with legislation in private member's hour. I believe there have to be some changes concerning the introduction in this house of this type of bill. You may be aware, Mr. Speaker, of the difficulty one of the bank bills now before the house had in the other place. Our committee will have the opportunity of not repeating the mistakes made by the Senate and will be able to make its own decisions. For these reasons, Mr. Speaker, I hope there is support for this amendment.

Mr. Deputy Speaker: Order, please, the time allotted to the hon. member has expired.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I wish to participate for a few moments in this debate. I have been in the chamber during many private members' hours and from time to time have felt an urge to speak but have not done so. I do not rise today in order to irritate anyone in the house, of course, particularly the hon. member for Timiskaming (Mr. Peters). However, I feel that the questions posed and the arguments put forward could be answered and dealt with in committee if the hon. member and his colleagues were willing to let the measure get that far. He posed questions in his speech this afternoon which I do not think can properly be answered in this chamber in all the detail necessary. On other occasions when this measure has been before the house the hon. member has posed similar questions. I think these matters should be dealt with in committee with the officials of the company there to give their point of view and answer questions as they are put.

It is not necessary for me to go over everything that has been said in the debate on this bill since it was introduced into the house last February. This bill was also before the house in the previous session. As the hon. member who just resumed his seat indicated, similar stock splits have taken place in this company on a number of occasions. It seems to me that the company is not operating illegally in any way. I do not pretend for one moment to be a specialist in this kind of legislation or this type of business. I cannot be called an expert in this field by any stretch of the imagination. On the other hand, I believe this company is acting not only fairly but responsibly.

Perhaps it is fair for me to say that it is a sad state of affairs that the company was incorporated in the way it was, because companies which are not incorporated by act of

parliament do not have to go through the laborious procedure of coming before the house when they wish to do something in the interests of the people who own their shares. They do not have to come to parliament on behalf of their shareholders. I have before me, Mr. Speaker, a list of the shareholders of this company, a number of whom are Canadian. They hold one share, four shares, right up the scale to 10,000 shares. This indicates to me that the shares are owned in the proper manner so far as Canadians are concerned and Canadians, being by far the largest percentage of shareholders in the company, gain the benefit in a proper way from any change in the stockholding of the company. Many of the benefits that flow from the activities of this company come from outside the country, and I emphasize "benefits".

Therefore I feel this is a proper request and can see no valid reason for the amendment nor the argument that has taken place for so long. I believe that if the arguments put forward by hon. members are totally and legally valid they can be dealt with in committee. These questions could be raised with regard to any number of companies, but this is not done. This company is being treated in this way simply because it was incorporated in this manner in the first place. Had it been incorporated in some other fashion it would not, as I said before, have to go through this laborious method in order to change its stockholding program.

So far as the hon. member for Timiskaming is concerned and the many suggestions he has made in this regard—and I assume from what has happened today that there will be more—I should like to tell him that there are in my constituency quite a few shareholders in this company. I have a letter here from a senior citizen, one not blessed with many worldly goods. This man owns some shares in this company. As a matter of fact, he has his life savings in the company. I do not know whether the hon. member for Timiskaming is aware of this, but such is the case right across the country.

I would point out to the hon. member that this man is not the only person in my constituency who has written to me in this vein. I have had many similar letters. This constituent puts the question in this way so far as he is concerned:

> Please note it is 90 per cent Canadian owned and after reading same—

He is there referring to the 1965 report of the company.

> —noting how it carries the oil from Alberta, Saskatchewan to its market in the U.S.A. and Ontario helping all of Canada.

He goes on to say:

> When this N.D.P. Arnold Peters says it's as phony as a three dollar bill I can only say to him he knows nothing whatever about the company and has no regard whatever for speaking the truth.

These comments come from a man who obviously is vitally interested in this company. He is interested to the point where it represents an income for himself and his wife. They live very modestly. I know their circumstances well. I think we might well reconsider whether we are doing the right thing in this regard.

Mr. Peters: Mr. Speaker, could I ask a question? Is the hon. gentleman suggesting that his constituent is making the point that in not allowing this split the profits will be less than if the split is made? Is the reason for his concern in this matter that he has been deprived of what he would consider exaggerated profits if this split takes place?

Mr. Winkler: I would not suggest that is the case at all. However, I think this question, as is the case with many of the questions raised by the hon. member, could be answered in committee where officials of the company and other interested people would be present. If these matters were discussed by the committee I believe all these questions would be well answered. I have here a tremendous amount of statistical material, Mr. Speaker, which I do not intend putting on the record because I think enough figures and statistics have been put on the record already.

I have read the comments of other hon. members with respect to this bill, as well as the introductory remarks of the sponsor, the hon. member for St. Paul's (Mr. Wahn). I will be frank and say that I think this bill represents a request from the company for a perfectly responsible amendment to its act of incorporation. Some members have raised what are to them serious questions concerning the proposal embodied in the bill. It is clear as the debate continues that we are having a tremendous amount of repetition of substance. I would not in any way suggest that this debate should not take place, but surely in view of the questions that have been asked and the observations that have been made we should leave this matter to the standing

committee where hon. members could ask questions and receive answers from the officials of the company.

Therefore, Mr. Speaker, I am suggesting that the entire matter be referred to the appropriate committee where the bill could be the subject of a specific, detailed examination. In all of these matters there comes a time when all that can be said has been said. I think that replies should be solicited from people who are more familiar with the subject matter under consideration. I humbly ask, Mr. Speaker, that we dispose of the amendment and send the bill to a committee where the matter can be discussed.

• (6:40 p.m.)

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, the amiable member for Grey-Bruce (Mr. Winkler) has made some reference to repetition. I noticed he was quoting rather copiously from a speech made earlier in the debate by another member of the house and perhaps he may consider that also to be repetitious.

Mr. Winkler: This speech happens to be my own.

Mr. Barnett: I understood him to say he was quoting from remarks made by the sponsor of the bill.

Mr. Winkler: No, Mr. Speaker, I did not.

Mr. Barnett: In that case I apologize to the hon. member. I should like to say immediately that I am more than happy to support the amendment before the house that Bill S-10 should not at present be read a second time but that it should be read six months hence. This motion is in effect saying to the Interprovincial Pipe Line Company in polite parliamentary language that they should go peddle their papers. So far as I am concerned, that is what this house should tell them to do in connection with this bill.

The hon. member for Grey-Bruce suggested that perhaps this bill could more properly be dealt with in the standing committee. I am absolutely convinced that this is not a bill which should be passed by this house. I also wish to point out, having been present in an earlier session of parliament, that a very similar bill was put before us concerning Trans Mountain Oil Pipe Line Company which operates in my own province of British Columbia. A similar proposal was made in connection with that company and, if I am not mistaken, the explanatory notes introducing that bill and setting out the purposes of that company were almost identical with the explanatory notes contained in the bill before us.

This company may be carrying out a perfectly legal operation but I consider it an affront to parliament for such a company to come here and provide us with explanatory notes that are in essence a falsehood. The explanatory notes read in part as follows:

> The reason for the proposed subdivision is that the company considers it desirable that the average Canadian investor be encouraged and be given the maximum opportunity and incentive to invest in the equity of a successful and growing Canadian company.

I suggest, Mr. Speaker, that we do not need to go into all the details of the bill in committee to know that that statement is not a true statement of fact. We know perfectly well that the bulk of the shares of this company are in the hands of one or two large oil companies. We know perfectly well that the company has no intention of issuing the rest of the shares in the treasury. We know that they do not intend to provide, through the sale of additional shares, capital for the expansion of their operation. We know perfectly well that that has been provided, as has been said by the hon. member for Timiskaming (Mr. Peters), by an arrangement under which this company operates through the issue of bonds. This is the way in which the major part of the financing was undertaken in the first instance and it is the way in which they intend to continue their operations.

Mr. Wahn: Mr. Speaker, I wish to raise a question of privilege. I think the hon. member should restrain himself somewhat. He first alleged that a false statement was made in the explanatory notes and later he called it an untrue statement. He has given his reasons for saying so; but he must surely realize that if the issued shares are subdivided five for one there will be five times as many issued shares and more opportunity will be given to Canadians to participate in this company.

I suggest he should not allege falsehood in the explanatory notes because they happen to be absolutely true and accurate. If he does not understand them, it is because he does not understand the nature of corporate practice. It is a routine procedure which is being asked for in this bill and I suggest, Mr. Speaker, that the hon. member has no right to suggest that the sponsor of the bill, myself, or those responsible for putting this bill

before parliament have made a false or untrue statement. I therefore think he should restrain himself.

Mr. Peters: Mr. Speaker, I wish to raise a point of order. The hon. member for Comox-Alberni said it is untrue to say there will be more shareholders after the stock is split and now the sponsor of the bill denies it. I wish to debate that point because I consider that what we are now doing is splitting the existing stock and, without changing the amount of treasury stock allowed on the market, that stock will be exactly the same stock as it is now. Five shares will be issued for every share. This does not make more stock available. Therefore I think the hon. member's question of privilege is not well taken.

Mr. Howard: Mr. Speaker, I wonder whether I could make a comment on the question of privilege raised by the hon. member for St. Paul's and point out where I think the explanatory notes are false and misleading. I do not think restraint is required in this instance, as I am sure the sponsor of the bill realizes. The explanatory notes read in part:

> This relatively high market value discourages investment by the individual investor.

Mr. Johnston, who is the president of the company and who appeared before the committee which also considered a similar bill a couple of years ago, said that 700 to 1,000 shares per day were traded on the market and that that was quite an acceptable number. Today, according to the stock market quotations in the Ottawa *Citizen,* there were 1,460 shares sold on the market at this so-called "relatively high value". Either Mr. Johnston's declaration or the stock market quotation is false.

Mr. Barnett: It seems to me, Mr. Speaker, that my colleagues have established that the hon. member for St. Paul's did not have a question of privilege. I certainly did not suggest that anything the hon. member for St. Paul's said in this house was false. In fact, it seems to me that in his remarks on what he considered to be a question of privilege the hon. member proved that what I was saying was completely true. He said quite correctly that if the shares were split five to one more shares would be made available for Canadians. However, that is not what the explanatory notes say is the desired intention of the company. The company says that Canadians should be given the maximum opportunity to invest in the equity of a successful and growing Canadian company. What I am saying is that this statement is intended to deceive the house because we know that in actual fact only a very small percentage of the shares of this company have been put on the market for trading.

I do not profess to know all the details of what is considered to be good corporate practice; I do not consider myself to be an authority on that subject. However, so far as I am concerned, if it is considered to be good corporate practice to come before parliament with misleading statements of this kind, then I do not want to know any more about what is good corporate practice.

• (6:50 p.m.)

One of the reasons I am concerned enough to speak on this bill is that inherent in it is the whole question of our basic philosophy and outlook toward the conduct of business and what is honest and what is dishonest. I make no bones about the fact that so far as I am concerned private enterprise is entitled to put capital to work, to employ men to produce goods and services and to make a fair and reasonable profit as long as it is on an above-the-board basis. But when practices such as those demonstrated by this bill develop I suggest that this is not something that parliament should condone, whether we like to brag about our support for the free enterprise system or whether we may have serious doubts about a good many of its aspects.

It seems to me that the misleading practices all too commonly accepted by many elements in our society are perhaps typified by the developments which have taken place in recent years in oil and pipe line companies. So far as I am concerned I make no bones about my disapproval of this kind of business practice. It is for that reason that I should like to see the motion before us carried and this bill withdrawn from the consideration of the house.

The hon. member for Grey-Bruce (Mr. Winkler) in speaking a little earlier referred to the fact that he had received a letter—I assume it was from one of his own constituents judging from the way he spoke—from someone who holds shares in this company. I may say that I received a few letters from various people who are shareholders in this company. I can think of one example of somebody who said he was a farmer and had bought some shares in the company for a very laudable purpose. His idea was that a shareholding in this company and the profits he

would derive from share ownership would enable him to assist his grandchildren to achieve a higher education.

The hon. member raised some question why I and some other hon. members were not prepared to give ready approval to this proposal to split the shares of Interprovincial Pipe Line Company. I also had some other letters along the same lines and I answered all the letters I received. But the thing which came home to me as I read them was that these letters and the way in which they were written very neatly proved the argument I am trying to advance, namely, that this company has been successful in hoodwinking the Canadian people into believing the sort of statements found in these explanatory notes. Somehow the many Canadians across the country who hold shares in these pipe line companies were led to believe that there was being developed a free enterprise system within which every Canadian citizen would be a stockholder in the Canadian economy.

Perhaps it is partly because I received this type of letter that as far as I am concerned I am so ready to support this amendment today. I do not like seeing good, honest Canadian citizens, be they farmers or otherwise, led down the garden path by this kind of propaganda, and as long as I am a member of this house I intend to object to the practice.

If the hon. member for St. Paul's (Mr. Wahn) says that this sort of thing is good corporate practice, then he and I will have to disagree on this question. I am not saying that in opposing this bill under any and all circumstances I would necessarily be opposed to a company dividing its shares. There are certain companies which do rely on the selling of shares for the raising of the necessary funds to expand their operations for capital construction purposes. There may be an area where this is a perfectly legitimate operation and where they could straightforwardly say that this was what they were going to do. But in my view this is not the situation here and inasmuch as we have the responsibility of considering this proposal I think we should take a good look at it.

This sort of proposition has been before committees previously. As the hon. member for Skeena (Mr. Howard) mentioned, the Interprovincial Pipe Line Company has been before a parliamentary committee for examination, as also was the Trans Mountain Oil Pipe Line Company. As far as I have ever been able to follow these matters, and I frankly admit that I have not read every word of evidence which has been given, the evidence given in committee by the representative spokesmen of the company has all served to emphasize and to prove the very point I am arguing. So I feel it is really quite unnecessary at this stage that this bill should require the time and effort of the members of this house in a parliamentary committee.

I think it would be much better for us to tell the Interprovincial Pipe Line Company, in spite of the views which have been expressed by the hon. member for St. Paul's about good corporate practice, that we think they would do much better to go back and busy themselves about moving oil through their pipe line and seeing what they can do about reducing the charges for that service which in the end are paid for by the consumers of petroleum products in Canada. That to me, Mr. Speaker, could be much more closely and correctly described as good corporate practice.

I suggest that if this company would do something to assist legislators and federal and provincial governments in this country to cope with the rising cost of commodity prices at this time, rather than seeking to occupy itself with this sort of phony front so far as its corporate financing is concerned, the members of this house would be in a much better position to say that it was a company that was operating in the interests of the Canadian people.

The Acting Speaker (Mr. Rinfret): Order, please. The hour for considering private members' business has expired and the house will now revert to the business interrupted at six o'clock.

NATIONAL ARTS CENTRE

ESTABLISHMENT OF CORPORATION FOR ADMINISTRATION AND OPERATION

The house resumed consideration in committee of Bill No. C-194, to establish a corporation for the administration of the National Arts Centre—Miss LaMarsh—Mr. Batten in the chair.

Mr. Turner: Mr. Chairman, I move we adjourn the debate and report progress.

• (7:00 p.m.)

The Chairman: When the hour for private members business was called, the hon. member for Trois-Rivières had the floor. I think the committee should allow him to proceed.

[*Translation*]

Mr. Mongrain: Mr. Chairman, being responsible of this discussion to some extent, since I moved the first amendment to that act, it would be proper that I draw certain conclusions. I will briefly try to stress certain statements made in this house since we started discussing this bill and to clear up certain points because I noticed that some of those who spoke during the debate did not understand very well what it was all about; finally, I shall express my views concerning this bill.

Mr. Chairman, no doubt you remember my suggestion that at least three of the nine directors at the National Arts Centre, be French speaking.

Since then sub-amendments have been moved which I find satisfactory because what I really am after is not a figure but a principle.

As can be seen on page 6223 of the official report, the Secretary of State made this statement which I read in English so as not to misquote:

[*English*]

Over a period of years it would operate as a strait-jacket, and it would mean that there never would be more than three members of French persuasion.

[*Translation*]

We wanted, at least in the amendment I moved and in the sub-amendment being moved now, that the principle of bilingualism be respected. The hon. member for Verdun (Mr. Mackasey) rose twice during the debate, and spoke very strongly against the fact that we should insist that recognition be given in our statutes to this principle we hold sacred, the fact of two founding nations, of two partners in confederation. His speech could be approved to the end since he spoke of mutual understanding and tolerance; he mentioned the fact that the French Canadians of the riding of Verdun have said it time and time again, which proves that we, French Canadians, do have a sense of co-operation and good feeling. I feel that, to be logical, the hon. member for Verdun could have concluded by saying that, if it is true that French Canadians are tolerant, that they understand mutual good feeling, he recognizes himself that until now they may not have been as well represented in the public service as they are entitled to be. So, let us draw our own conclusions. Let us then lay down principles in bills. Several speeches were then made. The speech of the hon. member for Ontario (Mr. Starr) struck me this afternoon; he pointed out that some members felt very strongly about this bill. I think he showed a lot of conviction himself and at one point he said:

[*English*]

As I understand it, if this amendment passes the members of the board will be composed of people who represent the two cultures of Canada. After all, there are six million Canadians who have ethnic backgrounds other than French and English, who are proud to be Canadians and who want to participate in the cultural life of their country.

[*Translation*]

After all, we have no objection to that, Mr. Chairman, on the contrary, we accept new Canadians. But when they came to Canada, they had to make a choice. They knew that there were two partners in confederation: the French speaking and English speaking partners. They have chosen one side or the other and in that choice we respect their aspirations, we accept them as fellow-citizens on the same footing and we do not want to get rid of them at all, but it should not be deduced from that argument that French Canadians must be treated as new Canadians.

Mr. Chairman, I think that some members precisely think that the French Canadians should be treated as a new Canadian. And I draw this conclusion from the speech of the Leader of the Opposition (Mr. Diefenbaker) who, on page 6252 of *Hansard* of June 10, stated referring to Canadians from German or Dutch extraction:

[*English*]

They were the earliest of Canadians, which is often forgotten.

[*Translation*]

Well, Mr. Chairman, my ancestors did not arrive here in 1753, but in 1629, that is 125 years before 1753. Therefore, we have, and I say so, and this is true for most of my Quebec fellow-citizens, the right of first occupancy. We also have a right of co-signatory to a pact accepted and ratified several times since 1763, and that is what we want respected, while we note that, for the last 100 years, this was not done as we had a right to expect.

Mr. Chairman, I would like to digress here and say that I would not want to put passion in my documentation. I want it to be known in this house that I am a Canadian, and that I believe in Canada's unity, unity in diversity, while respecting of course the rights of all. I do not believe in separatism, Mr. Chairman, but I know, for instance, that in my province, we have angry young men who are

not satisfied with the lot we have had for the last 100 years and who today are demanding not only statements of goodwill, but legislation to guarantee precisely those rights of the other partner of confederation, and also guarantee that confederation is going to stay alive. Unless this *mane, thecel, phares,* is seen written on the wall, Mr. Chairman, what will happen is that our angry young men in the province of Quebec will have their way. They took 10 per cent of the vote in the last provincial election and it is neither impossible, nor visionary, to think that in a future election, they might take even more, unless we give them what they are entitled to and what they are demanding with the eloquence we know. Since that time, I have seen that the hon. Leader of the Opposition has made statements which I found disturbing, and I want you to note that I do not blame him nor accuse him of ill-will. But nevertheless, according to what I read in *Le Devoir* for Tuesday, June 21, he is reported as saying in Toronto:

> The Leader of the Opposition in the House of Commons stated Sunday before an audience made up of Canadians of Ukrainian origin his opposition to the creation of any political "third force" to represent Canadians who are not of Anglo-Saxon or French origin.

I recognize that the hon. Leader of the Opposition showed courage by saying that in Toronto, and I give him credit for making a courageous statement. But a little further on, the report says:

> The Conservative leader also rejected the suggestion of two nations within Canada.

This is not so good.

• (7:10 p.m.)

I do not blame the hon. Leader of the Opposition for not understanding the point fully, since he comes from a place which is quite a distance from Quebec, and perhaps nobody has bothered to give him adequate explanations, but the fact remains that there are two nations here, which are partners in a covenant, and the one I represent intends to demand respect of this covenant, or else, and the hon. premier of the province of Quebec has very frankly said so recently, it would be equality or separatism. Therefore, this is the point that should be considered at this time, and that is the aspiration that should be met if anyone thinks it is the right of French Canadians. Otherwise, they should be told, so that they will know what attitude to take. I am still quoting *Le Devoir:*

[Mr. Mongrain.]

Mr. Diefenbaker attacked particularly an amendment to the National Arts Centre Act now before the House of Commons. It would provide for a recognition of the linguistic duality etc.

Mr. Chairman, I agree with those who spoke before me and who said that understanding is not established through legal texts. I hold the same opinion, Mr. Chairman, but it is obvious, after a century, that the expected results have not materialized, and thus we are forced to demand guarantees, written texts in black and white.

Unfortunately, Mr. Chairman, I missed the statement made by the Prime Minister this afternoon. It has been summarized for me three or four times and I believe the hon. Prime Minister is full of good intentions. I would go further, Mr. Chairman. I believe the Prime Minister is the one who did the most for bilingualism and an understanding between the two nations which are members of this confederation. I could list a whole series of fine achievements and I am one of those who has the chance to say, in the statements I make all over the province, that, of all Canadian prime ministers, without meaning to belittle them, the present Prime Minister is probably the one who has shown the most clear-sighted understanding of the problem between the two races.

But that is not what we are discussing at the moment. I think that those who insist that this answers our wishes do not understand what we want very well. We do not doubt the good will of the present government; we are sure it will do everything in its power to be fair, but we say, for example, that when the present Prime Minister is no longer there, when the present government is no longer there, even if it is unpleasant for the party in power to hear these things—they know that one day they, too, may assume the shadowy role of the opposition—who is to say that the other government will understand the province of Quebec? Whether they like it or not, I appeal to the conscience of my colleagues. I am not appealing to their narrow-mindedness nor to their prejudices, but to their conscience as Canadians, and I know that all my colleagues here are Canadians who wish Canada well and want it to be united. I tell them once again: In Quebec, there is a large number of what we call angry young men who realize that good will and sound arguments were not enough to do

them justice and who demand to be considered as full partners within confederation. To say such things is not to show oneself as a racialist, as someone suggested. Racialism means a race that wants to dominate another. We do not want to dominate another race; we are aware that we are minority here, and when the vote is taken, we know that we shall not secure a majority. We know that pacts entered into in the past granted us certain sacred rights, for instance, participation in the government of the country, since we pay taxes as everybody else and take part in the life of the country. We demand therefore that those rights be spelled out in our legislation.

Mr. Chairman, since a vote may be taken on the subamendment, I want nevertheless the discussion held in the house to resound once again in the conscience of all my colleagues anxious to preserve Canada's unity. Whether we like it or not, the claims now being made in Quebec seem legitimate to us since they respond to aspirations which are quite natural and fundamental and will have to be met. Otherwise, separatism that we fear so much will take over.

Therefore, let us see where we stand. There is no question of racialism, but it is a matter of sanctioning something once and for all, if we believe in the two nations which make up confederation. The thing is to decide whether our belief and our conviction should actually be reflected in our legislation. And it must be determined that mutual understanding is no longer simply a pious wish but something positive.

And to emphasize what I said earlier and prove that there is no narrow-mindedness or separatism in our province, although some of us argue their case passionately—it will be understood that this is the outcome of a century of frustrations and, to a certain extent it is understandable that they should raise their voices at a given time—nevertheless I want to prove that we are not fanatics, since we, in the province of Quebec, elect English speaking people. In my county, Mr. Chairman, we once elected a Jew, a Mr. Hartt, who was returned several times, even after being expelled from the legislature. A Mr. Ryan was elected, and if I went back over all the names of English people and Jews for whom French Canadians voted, there would be a long series of them.

But, Mr. Chairman, it seems that some people here want to do like the ostrich. The hon. member for Lapointe mentioned that French Canadians considered they did not have fair representation in the various government departments and agencies, and that is true. I do not say this is necessarily due to an uncompromising attitude; I know that French Canadians did not always apply, but this is a fact which strikes the generation in 1966. I went to the trouble of listing, from the telephone directory, for certain departments and crown corporations, the names of the main officials, connected with the departments or management, and I found fantastic things.

In the Department of National Defence, out of 25 names, I find five which are French; I agree that some may have French names but I include them. In the Department of Industry, I find that, out of 45 names, three are French; I note that, in most cases, those people are in junior positions. In fisheries, out of 71 names, I note eight with a French name; I even count in those who have French names but speak English. In the Post Office Department, there are 71 of them, of which 16 are French. Mr. Chairman, I could go on like that *ad infinitum*. In the Department of Defence Production, I see 44 names, three of which are French. In the Department of National Health and Welfare, 52 names, 12 of which are French. In the Department of Transport 22 names, of which 19 sound French. In the Department of Public Works, the situation is not so bad; there is one third, 45 English speaking and 15 French speaking. Then with one third, we are satisfied.

[*English*]

Mr. McIlraith: That is not right. That figure is not the correct one for the Department of Public Works.

Mr. Mongrain: I am willing to listen to the minister when he corrects me.

Mr. McIlraith: Yes, I rise on a question of privilege. I do not want the hon. member to make a misstatement of fact about the ministry for which I am responsible.

[*Translation*]

Mr. Mongrain: I am pleased the hon. minister corrected my figures, because I am not anxious to find fault with the minister or with the government; on the contrary, I have just said that, like many others, I admire what they have done until now. But I get my information where I can. I have the telephone directory, nothing else; so, if the hon. minister wants to correct my figures, he will find someone who is very pleased to stand corrected; let him correct my figures, by all means.

National Arts Centre

Mr. Chairman, I shall leave my enumeration at that. Had we discussed the crown corporations, it would have been the same thing. When we discuss these things, these facts, let us do so without undue passion, and establish whether we believe or not in the two nations which are part of our confederation. Do we believe or not that they have equal rights? Have we decided or not to do justice to both nations?

• (7:20 p.m.)

Back home, in Quebec, we have set an example. In my city, the second largest French city in North America, we have an English speaking minority. We speak English to them, we write to them in English. They have their schools, they are members of our clubs, members of our societies, they are treated as full-fledged fellow-Canadians. If they have not had the opportunity of learning French, we go to the trouble of speaking English to them, because we gave ourselves the trouble of learning English, Mr. Chairman, precisely because we believe in the "entente cordiale" in Canada.

Mr. Chairman, I am sorry if I have somewhat raised my voice, for after all I had intended to speak with equanimity, very calmly, and to bring forward only facts and figures supporting my case. But I shall have to support the subamendment, for even though I believe the good intentions of the house should be sufficient to secure good understanding between the two ethnic groups, I have to admit that a whole century has not brought about the expected results; I cannot but see that a great number of our young people advocate separatism because they are dissatisfied, and realize that justice is being denied; I am therefore bound to conclude that now is the time to set down these things in black and white in the statutes.

I am asking once more my hon. colleagues in power not to have a chip on their shoulders. We are certainly not requiring these things solely to embarrass them. We simply want them to realize facts that are staring them in the face and that if nothing is done, we shall rush headlong into a catastrophic situation, namely separatism and the breaking of Confederation, and that I do not want, Mr. Chairman, and I am ready to struggle against it to the bitter end.

[*English*]

Mr. Turner: I move:

That the committee rise, report progress and ask leave to sit again either later this day or at the next sitting of the house.

[Mr. Mongrain.]

An hon. Member: Later this day.

Motion agreed to and progress reported.

COMPANY OF YOUNG CANADIANS

PROVISION FOR ESTABLISHMENT

The house resumed, from Thursday, June 16, consideration in committee of Bill No. C-174, to provide for the establishment of The Company of Young Canadians—Mr. Pearson—Mr. Batten in the chair.

The Chairman: When the committee rose on Thursday, June 16, clause 15 was under consideration.

Clauses 15 to 25 inclusive agreed to.

On clause 1—*Short title.*

Mr. Peters: Mr. Chairman, I may have missed what happened the last occasion this piece of legislation came before the chamber, but previously a question had been raised as to whether the executive director should be separate from the council. Since the hon. member who originally raised the matter is not present tonight, I think I should ask whether a compromise was reached. If the minister has already answered this question, then I apologize for taking up the time of the committee.

This problem of deciding upon who an executive director should be has caused considerable difficulty in another organization with which the committee is familiar, namely the C.B.C. The top three appointments to that agency were made by the governor in council and were not subject to any control by the executive.

When this question was raised previously the minister showed sympathetic interest in it, though not indicating that he would do anything about it.

Mr. Turner: Mr. Chairman, something happened subsequent to the debate to which the hon. member is referring. Clause 10(1) was amended to provide that the governor in council would appoint the executive director, but on the recommendation of the council, which is two thirds elected by the members themselves, and would hold office during pleasure and with the consent of the council.

Mr. Peters: I thank the minister for the explanation he has given. This is a compromise that will be watched with interest, because it has application in other fields.

Mr. Turner: Mr. Chairman, when speaking on his estimates the President of the Privy Council was asked a question concerning the salary of the executive director, and he replied:

The present estimates provide in the case of the director for a salary scale between $18,000 and $22,000, but for this year $20,000. In the case of the associate director, the salary provided is $15,000 to $18,000, but for this year $15,000.

Subsequently the Canadian Press ran a story to the effect that the interim executive director, Mr. McWhinney, receives a salary of $20,000 a year. This was very much to his embarrassment because his salary as interim director is $13,500, while the interim associate director receives a salary of $9,500. The estimates to which the President of the Privy Council referred were prepared last fall and were therefore tentative. I want to make this clear because of the embarrassment caused.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Some hon. Members: By leave, now.

Mr. Turner (for Mr. Pearson) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (7:30 p.m.)

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

On the order:

Second reading of Bill C-208, an act to amend the Crop Insurance Act—the Minister of Agriculture.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was under the impression that this bill would not be called. The committee on agriculture, forestry and rural development is now meeting. Not only is it unfair, but it is ridiculous to bring forth this legislation while the committee is meeting. Therefore I would ask that this not be proceeded with now. I understand the committee is meeting until 9.30 p.m. and that appearing before it are representatives from western Canada. I think it would be unfair to take up in the house the matter of crop insurance while the committee meeting is going on. I understood the committee had this assurance.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, there was not any understanding in this regard, but if the hon. member feels that some of the members who are on the committee wish to speak on this, we would be agreeable to putting it over. I have not, however, had any representations from any members of the committee that they wished to speak on this subject. It was on the order paper and the announcement was made last night that it would be heard today.

Mr. Peters: Mr. Speaker, I do not believe we really can operate parliament, with a committees system, if we are going to have a committee meeting and at the same time take up in the house legislation in respect of which members in committee are engaged. Certainly the minimum requirement should be that the legislation should not be proceeded with in the house while the committee is discussing another aspect of the same field. If we wish to proceed with it, it is all right with me, but I do not think it is very reasonable.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I understand that the committee is not sitting at the moment. In any event, surely the committee must not take precedence over the house. However, so that the hon. member will not have any sense of grievance, we will ask to withdraw the right to proceed now with this item, and proceed with the Canada assistance legislation. I am concerned with getting legislation over to the other place quickly. If it should be the wish of the whole house that we proceed with the superannuation legislation first, in the expectation that it would be very brief, we might wish to call it. I am in the hands of the house on that. Of course, it would be on the understanding that the debate on it would be very brief, because last night I did give an intimation that we would proceed with the Canada Assistance Plan late this afternoon.

Mr. Bell (Carleton): I think we could be through the superannuation legislation in three quarters of an hour, or possibly less.

Mr. McIlraith: Is that agreeable?

Hon. Gordon Churchill (Winnipeg South Centre): So far as we are concerned, Mr. Speaker, we can proceed with the superannuation legislation. I believe we will be speaking rather briefly on it. The bill might go through in an hour and a half.

Pensions

PENSIONS

CORRELATION OF VARIOUS PLANS WITH CANADA PENSION PLAN

The house in committee on Bill C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act—Mr. Benson—Mr. Batten in the chair.

The Chairman: May I point out to the committee that there are some amendments to the French version. These amendments are printed in *Votes and Proceedings* of June 22 at page 685.

Mr. Bell (Carleton): Mr. Chairman, I would suggest that the amendments be adopted now.

On clause 2.

Mr. Benson: Mr. Chairman, I might point out to the committee that I have several amendments with which I could deal either at the beginning of the proceedings or on the clauses as we go along. These amendments are a result of a recommendation of the joint committee of the Senate and House of Commons with regard to appeals to Treasury Board in the case where the Minister of Finance is empowered by the legislation to make particular decisions. I would be prepared to move these amendments at this time or wait until we reach the various clauses.

Mr. Bell (Carleton): I suggest it might be done when we are considering the various clauses.

Mr. Knowles: Mr. Chairman, I think that is the sensible way to do it. The minister might like to indicate to us in a general way what they are, but I think we should follow the usual practice of making the amendments when we are on the particular clauses. Perhaps you, Mr. Chairman, might tell us the numbers of the clauses which have been amended by the action of the joint committee.

The Chairman: I think it might be better practice to amend the clauses as we come to them. As we come to a clause which is to be amended I will so indicate.

Mr. Knowles: Could you tell us the numbers of those clauses now?

[Mr. Churchill.]

The Chairman: I might read from the *Votes and Proceedings* of June 22. The report of the committee said this?

> Your Committee has agreed to report the said bill with the following amendment:
>
> Amend the French version of the said bill by striking out the words "service public" and substituting therefor the words "fonction publique" in the title and wherever those two words appear in the said French version of the said bill.

• (7:40 p.m.)

Mr. Knowles: Mr. Chairman, I was aware of that; I was a member of the committee. But I thought by this time someone would have a list for us of the numbers of the clauses where we do this.

The Chairman: Perhaps we could have a list made at the table while the hon. member for Carleton is taking part in the debate.

Mr. Bell (Carleton): Mr. Chairman, this bill has been very carefully considered by a joint special committee of the Senate and House of Commons under the distinguished Commons chairmanship of the hon. member for Ottawa East. Therefore the comments which I want to make of a general nature will be very brief indeed. I only want to say that the bill is less than adequate in a number of features: First, in that it has no escalation clause. The principle of escalation was accepted in the Canada Pension Plan and it is the submission of those of us on this side that it ought to be accepted in the superannuation acts.

Second, there is no provision for increases to retired civil servants. I do not propose to discuss this at all tonight, but would mention to the Minister of Finance that his estimates will not have an easy course through this committee until that issue is settled. Third, I think it is clear that many public servants will suffer as a result of the integration of the superannuation acts and the Canada Pension Plan, particularly in two respects. The present civil servant who has a vested right to his full pension, whether or not he accepts employment after age 65, will now suffer a diminution in his pension by .7 per cent per annum, the amount of his Canada Pension Plan contributions, if he takes any employment after retirement.

I think this is a breach of faith. At this late date I do appeal to the minister to have a change of heart in this respect. I do suggest that here is a complete breach of contract, and certainly a breach of faith, in relation to those who are now in the public service. Second in this respect, there is under this bill a substantial increase in contributions. At the present time a male civil servant contributes

6¼ per cent for 35 years and then his contributions cease completely. Let us suppose that a male civil servant enters public service employment at age 18; he then contributes for 35 years and has concluded his payments by age 53. What of the future? At the present time he makes no further contributions. Under this bill and under the Canada Pension Plan he must still contribute after age 53, 1.8 per cent of his salary to the Canada Pension Plan without any improvement whatever in benefits at age 65. So the present civil servant making on the average a salary of, say $6,000 a year between the ages of 53 and 65 will contribute about $108 a year for 12 years, or a total of $1,296, without any improvement in benefits.

I think this very brief illustration demonstrates what a travesty this provision makes of the oft repeated statement that no civil servant will suffer from the integration of the superannuation acts and the Canada Pension Plan. That assertion simply is not the fact. I would have no complaint whatever if this provision applied to all who join the public service hereafter, but I suggest to you, Mr. Chairman, that it is a clear breach of faith for those who are now in the public service. Then, sir, I should like the minister to make clear to this committee of the whole, as I believe he did to the special joint committee, that the lock-in provisions will not be proclaimed until legislation providing for genuine portability is enacted.

The provisions relating to pensioned officers, warrant officers and petty officers who enter the public service in future are less than satisfactory. The minister outlined to the special joint committee what are the minimum proposals of the government. I make an appeal to him tonight to go far beyond that minimum. In what he outlined before the special joint committee, I think he does less than justice to those who have served Canada well in the armed forces.

I venture to suggest that the minister should take a look at what I understand to be the position of personnel of the R.C.M.P. He told us that approximately $4,200 of the pension of a retired officer in the armed forces would be exempt, and I am now told that if the R.C.M.P. situation were treated as equivalent about $5,900 would be exempt. When we come to this clause I hope the minister will have something to say specifically about it. I appeal to him tonight to put a percentage value into the bill, to bring, as one of the witnesses said before the committee, merit as well as length of service into the matter.

This bill has been considered at considerable length in the special joint committee. It is a bill of very great importance and if it were not for the fact that the committee wishes to deal with it expeditiously I would have a great deal more to say. On certain special clauses I will have brief comments to make and perhaps some amendments.

Mr. Knowles: Mr. Chairman, when we were at the second reading stage of this bill the initial suggestion of the Minister of National Revenue was that we might go straight from second reading into committee of the whole house on the bill. I think it is appropriate to express a word of appreciation to the minister for having responded to the requests that were made from the opposition side of the house, that this bill be referred instead to a special joint committee.

I am sure he will now agree, and those of us who were members of that committee will certainly agree, that it was an excellent idea to have this bill considered by the special joint committee to which it was referred. Those of us who were on the committee were able to present our various points of view; we were able to argue over our differences and reach various understandings. I am satisfied that because of the time we spent in the special joint committee, time will be saved here in committee of the whole house.

The bill has 94 clauses, apart from any that might be added here in committee of the whole. Hon. members realize that if we were to have a discussion on each of those 94 clauses a good deal of time would be taken. As the matter stands, it will be possible to call and pass most of the clauses without any discussion in committee of the whole, but I think it should be put on the record that the reason there will not be discussion here is that we had full discussion in the special joint committee.

By way of general comment I should like to say that the bill carries out the intentions of the government with respect to the integration of the various government employee pension plans with the Canada Pension Plan. The bill has reduced to legislative form what the government wanted to do in this connection. But, as the minister knows, I am still not sold on the extent to which the government has carried through its policy of what is almost complete integration. It is still my view that the Canada Pension Plan was

brought into being for two main purposes. On the one hand its purpose was to provide pensions for employees who had no other pension; on the other hand its purpose was to enable people who already had pension rights and benefits to augment those rights and benefits.

To a considerable extent this right to add anything to their pension position as a result of the passing of the Canada Pension Plan is being denied to our government employees. It is true that for a period of time it will be possible for many retiring employees to have a little more pension than they might otherwise have had. As we worked it out in the committee, the marginal benefit will rise during the first ten years but then will decline until the 35th year, following which there will be practically no marginal benefit whatsoever. It is perfectly true that as a result of the integration, civil servants will not be paying any more than they were paying previously; in fact they will be paying precisely the same amount. However, my complaint is that civil servants are being denied the right to pay anything additional into the Canada Pension Plan—as other people in many jobs can—and they are therefore being denied the concomitant right to have additional pension benefits when they retire.

• (7:50 p.m.)

Surely we have had enough experience with pensions and with their inadequacy in the years after they have been put into effect to realize that there is still room for improvement in pensions, even when they are as good as are the pensions provided for government employees.

I was interested in the comment made by one of the staff associations which appeared before us. The spokesman for that group wanted to make it clear that what they had agreed to was not to integration per se and for all time, but to this particular formula of integration. This particular staff association said that in future if certain adjustments were made it might wish to look at them again. The wishes of the civil servants may have been ascertained by the government, but I believe that many of them now want to take another look at this matter. I think the day will come when civil servants will prefer to have additional benefits from the Canada Pension Plan, rather than the almost complete integration which is contained in this piece of legislation.

During the course of our discussions in committee we came upon one or two instances where it seemed to us that rights which civil servants now enjoy are being interfered with. I make this statement in the light of the general assurances that were given when the Canada Pension Plan was under debate, that integration would not have this effect. One particular case that we discussed at some length was that of the civil servant who retires, let us say, at the age of 62 after his full 35 years of work, and is entitled to draw his full pension under the Public Service Superannuation Act. When he reaches the age of 65 that pension is reduced by a formula that is spelled out in the act, on the assumption that at that point he will start drawing his Canada Pension Plan benefit.

It is clear that if he is retired and is not working at anything else, and if the Canada Pension Plan benefit is not sufficient to make up for the reduction in his public service superannuation annuity, the shortfall will be made up. However, the employee who retires at the age of 62, and at the age of 65 is still working somewhere else and therefore does not qualify for his Canada Pension Plan benefit, will still have his public service superannuation annuity reduced and the difference will not be made up. We went over this matter very thoroughly and very good arguments were given to us by the experts who appeared before our committee. It has to be admitted that those arguments carried a great deal of weight. Nevertheless it is still a fact that here is a right which civil servants previously had but which they are now losing as a result of this integration bill. I am referring to the right to retire on full pension after 35 years of service, say at the age of 62, to go to work somewhere else and not be subject to a reduction in the public service pension.

I am not raising this matter on behalf of people whose pensions are so large or whose position is so affluent that they do not need to find other employment. I am thinking, rather, of the post office workers and others who, although they retire early, receive a level of pension that makes it necessary for them to find other employment. I say that this is at least one case in which the general commitment, that integration would not take away the rights that civil servants already have, has in fact been interfered with.

There are one or two other anomalies of this kind which we will have to deal with as we go along; but as I have already said, Mr. Chairman, because of the very thorough examination we made of this bill in the special

joint committee it will not be necessary for us to speak on each of the 94 clauses in the bill now before us.

I should like to express once again my appreciation of some of the improvements that have been made in the Public Service Superannuation Act while we have been considering this bill. For the most part they are technical improvements, an ironing out of a few anomalies.

It is also to be noted that the civil servants in general seem to like the term insurance arrangements that were brought in a number of years ago, and it is to be noted that these arrangements have been improved in that the amount of insurance that civil servants can carry has been increased, and the amount of the minimum benefit that obtains from the point of discontinuance in employment to death has also been raised. I suggest, Mr. Chairman, it is interesting to observe that a piece of legislation which caused quite an outcry when it was brought into this house a number of years ago has now been accepted as a desirable feature.

The only other comment I wish to make is to express once again my very deep regret that at a time when the government was reconsidering the Public Service Superannuation Act it did not seize the opportunity to make two other changes. I believe that on the one hand the government should have changed the formula regarding pensions for widows. At present a widow's pension is 50 per cent of what her husband's would have been. Some of the organizations suggested that these pensions should be raised to a much higher level; I think 75 per cent was the figure suggested in most cases, although some went even higher than that.

It seemed to me that at least 60 per cent, which applies to the pensions of widows of members of parliament, might have been written into this legislation. I regret that this was not done. I hope that, since the minister has said he has a number of amendments to present while we are going through this bill, he might even yet propose an amendment to make this improvement with regard to the pensions of widows of civil servants.

My other regret is that the government did not seize this opportunity to make the necessary amendments in the Public Service Superannuation Act to improve the pensions of civil servants already retired. We now recognize the need to escalate pensions. The government has recognized this in the case of the Canada Pension Plan, and it has recognized it in the case of the Old Age Security Act. I do not think there is any question but that sooner or later we will have to recognize it in the case of retired civil servants. I am not going to speak at length on this aspect of the matter, lest someone raises a point of order as to whether or not the matter is before us. That is the trouble, Mr. Chairman; it is not before us and it ought to be.

• (8:00 p.m.)

I welcomed the response of the Minister of National Revenue to a question which I put to him on June 17. The minister said that he would have no objection to giving the joint committee on the public service a term of reference from the House of Commons to enable it to discuss this whole problem of the adequacy of the pensions of civil servants already retired. He knows me and I know him. He knows that having given me what I regard as a commitment, I shall hold him to it.

I have had to accept the condition that we cannot get at this matter until we have disposed of the other pieces of legislation that have been referred to that committee. But the committee is dealing with them. As a matter of fact, the joint committee on the public service is meeting right now; it was called to meet at eight o'clock tonight to discuss the three other bills. When the committee has disposed of those bills on collective bargaining, I will call upon the Minister of National Revenue to keep the commitment which he made on June 17 by bringing before this house a motion to give the joint committee on the public service a term of reference to enable it to discuss this very important problem.

Even if I disagree with some of the elements of the integration program that is before us, Mr. Chairman, I must confirm the general view that our pension legislation for government employees is by and large good legislation. Precisely because we have made the kind of improvements to our pension legislation which make it something of which we can be proud, and precisely because it does provide a good basis for retirement pensions for our public servants from now on, I think we should do the same thing for those who have already retired. There is far too much in parliament of this doing something for those who are with us now, for those who can lay some kind of an appeal before us, but of trying to forget those who were our employees in the past. This is an

unfinished piece of business in our public service pension arrangements which must not continue to remain unfinished.

As I say, Mr. Chairman, I welcome the commitment which the minister made on June 17. I hope it will not be long before that matter is before the joint committee on the public service, so that that committee will be in a position to make an appropriate recommendation back to the House of Commons. As the hon. member for Carleton said, we may wish to say something on a few of the clauses as we go through the bill; but precisely because we have had such a thorough discussion of this legislation in the joint committee, it need not take as long as it might otherwise have taken to deal with this important bill here in committee of the whole house.

Clause agreed to.

Clauses 3 to 8 inclusive agreed to.

On clause 9—*Deduction from annuity.*

Mr. Bell (Carleton): Mr. Chairman, this is the clause about which there has been much discussion in the joint special committee. I have already referred to the situation, particularly as it relates to those civil servants at present in the service who have been given the commitment that there would be no diminution of benefits. When these people remain off the labour market after age 65, this is true. But if a person with a small pension takes a job which qualifies him for the Canada Pension Plan, then he does not enjoy the benefits which prior to the passing of the Canada Pension Plan he would have received.

This matter was discussed in detail in the committee. I have no desire to reargue it at all, but I do want to record at this time the feeling of the house in this connection, and I therefore propose to move an amendment to this clause. I recognize that the amendment would not be fully adequate, but it would at least express the opinion of hon. members.

There is one other matter in connection with clause 9 to which I should like to refer. Subclause (4) brings within the purview of the act those who served with certain international organizations or in civilian war service. Many members of the house, but more particularly my hon. friend from Halifax, Mr. McCleave, were responsible in 1961, and perhaps earlier than that, for bringing to the attention of this house the position of the civilian firefighers. This is a case of casting bread upon the waters; it has now fully returned, and I want to pay tribute to what the hon. gentleman from Halifax did at that time, which has been productive now.

Without arguing the particular situation further, Mr. Chairman, I move:

That subsection (1d) of subclause (1) of clause 9 be deleted.

Mr. Knowles: Mr. Chairman, the purpose of the amendment which has just been moved by the hon. member for Carleton is to meet the point that I raised a few moments ago. This amendment was moved in the joint committee and was lost there, and I do not know whether it will do any better here. In the meantime, I wonder whether the government has come up with any other way to cope with this problem?

Let me say again that I recognize that years from now, when everyone is on the same footing, the way the clause is framed might be quite adequate. It may even be adequate now for new employees who are coming into the public service. However, despite all the excellent arguments which were made by the very competent experts the committee had before it, it seems to me that present employees who knew before integration came into effect that they could retire at the end of their 35 years, even if they were only 60 or 62 years of age, and draw their superannuation for life without any reduction, are being short changed in being presented with a formula which reduces their pensions at age 65.

Surely those who were in the service before this integration bill was introduced should be given the kind of protection that this amendment proposes. I see difficulties in the amendment, but as I said in committee, unless the government has come up with some other way of meeting this problem and establishing complete fairness, I shall have to vote for the amendment.

• (8:10 p.m.)

Mr. Benson: Mr. Chairman, there is no point in repeating arguments that were put forward to the committee with respect to this amendment. I should like to say that this matter was agreed to by the advisor committee. The joint council of the Civil Service Association was fully informed of this matter and was, I presume, in agreement with this measure because no objection was raised.

Really, what the amendment is trying to do is amend the Canada Pension Plan. Anyone who retires under the Canada Pension Plan and continues in employment, and has a

certain level of income, may find his Canada Pension Plan benefits reduced or completely wiped out during the period in which he works. That is so if the person working is between 65 and 70. On the other side of the coin there is the fact that Canada Pension Plan benefits may increase during that period due to continued contributions.

Some hon. Members: Question.

Amendment (Mr. Bell, Carleton) negatived: yeas, 27; nays, 33.

The Chairman: I declare the amendment lost.

Mr. Knowles: Mr. Chairman, before the clause carries there is one other question I should like to put to the Minister of National Revenue. This clause of course is the heart of the bill. I refer to the fact that it provides the formula under which pensions of retiring civil servants are determined once integration is in effect. It is quite clear from this clause that when a civil servant ends up with his two pensions—with his superannuation annuity and the Canada Pension Plan benefit—those two pensions are guaranteed together to be not less than his superannuation annuity would have been. A benefit that flows from this, of course, is that the total amount of that pension at retirement will be X dollars, but the Canada Pension Plan portion of that retirement allowance is subject to the escalation provided in the Canada Pension Plan itself.

We shall reach a point where civil servants will be retiring with a twofold pension, one part of which is subject to escalation. There is no doubt about this. May I ask the minister whether the government has given consideration to providing that the superannuation pension benefit itself will also escalate, so that we will not in future have the sort of problem we now have with respect to retired civil servants.

Mr. Benson: Mr. Chairman, when this matter was being considered the government gave a good deal of thought to it. It was decided that in this particular type of plan—and this is a funded pension plan in which funds build up and from which benefits must be paid out—any consideration of escalation would have to be done separately from this legislation. If it were considered, then indeed one would have to consider the level of contributions of government and civil servants in order to support such a pension based on escalated benefits. The government considered this matter and decided that in this particular piece of legislation this would not be done.

Mr. Knowles: This is another piece of unfinished business.

Mr. Barnett: As the hon. member for Winnipeg North Centre has stated, the escalation feature of the Canada Pension Plan, certainly in my view, is the most important single feature of that plan. That feature is a breakthrough in thinking.

I can remember during the first years when I was a member of the house being told that such a feature was an actuarial impossibility and that no pension plan could be devised which could incorporate such a feature. I for one look forward to the time when this feature will be common to all retirement plans, unless some other plan can be devised in which the purchasing power of the dollar remains fixed for all time. Certainly the government has not suggested it could fix the purchasing power of the dollar nor is it prepared to take steps to bring that about.

I should like the Minister of National Revenue to be more specific as to whether future consideration will be given to the question I have raised, and whether this is something that will be considered this year, next year, some time, or never? The minister said that the idea of escalated pensions had been rejected in respect of this particular legislation. Yet his reply was such that it held out some hope of furtheration. Can the minister be more specific as to what he and the government are thinking about in this respect.

Mr. Benson: I was not in the house when my hon. friend was here at the beginning of his career. I know that people were saying that no pension plan could be attached to a wage or cost of living index. As the hon. member well knows, I cannot commit any future government or this government as to what is to be done with regard to civil service pension plans in the future. I can say that in my personal opinion the thought of escalating pension plans in the civil service based on the cost of living index or on some other index, is not ruled out. One must of course realize, when he goes into this kind of pension plan, that it becomes more costly per dollar received back than the normal pension plan where no escalation is built in. I cannot say more than that.

Clause agreed to.

Clauses 10 to 18 inclusive agreed to.

• (8:20 p.m.)

On clause 19.

Mr. Benson: In conformity with the request of the committee that provision be made for appeal from decisions of the Minister of Finance in certain circumstances where no appeal is at present provided, I should like to offer this amendment:

That Bill C-193, an act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act, be amended as follows:

(1) by inserting, immediately after line 11 on page 26 thereof, the following paragraph:

"(1d) prescribing the period within which and the procedure by which any person dissatisfied with any decision or direction made by the minister under paragraph (c) of subsection (1) of section 11, section 12 or subsection (3) of section 13 may appeal that decision or direction to the Treasury Board and authorizing the Treasury Board to make any decision or direction in relation thereto that might have been made by the minister under those provisions;"

Mr. Bell (Carleton): It would have to be moved by the Minister of National Defence.

Mr. Benson: Then it will be moved by my colleague the Minister of National Defence.

An hon. Member: Does he agree?

Mr. Hellyer: I so move.

Mr. McCleave: On behalf of the official opposition I wish to thank the Minister of National Revenue for adopting a suggestion which originally came from the hon. member for Carleton and which was presented to the committee by the hon. member for Esquimalt-Saanich and myself. We think this is a reasonable way of dealing with appeals, that is, by referring them to Treasury Board. However, we would suggest to the minister that the experience relating to this amendment and a subsequent amendment be examined in a few years time with a view to setting up a different type of tribunal, should this seem desirable.

Amendment agreed to.

Clause as amended agreed to.

Clauses 20 to 39 inclusive agreed to.

On clause 40—*Computation of length of service.*

Mr. Knowles: Perhaps the Minister of National Revenue would like me to call a halt at this point, so that he can indicate to the committee what it is that clause 40 does. Is this not the clause dealing with the anomaly which now exists affecting service personnel who are not allowed to count their wartime service for pension purposes when they retire?

Mr. Benson: That is true. This is particularly important this year when a great many servicemen who enlisted during the second world war complete 25 years service. Although they enlisted during that war and continued in the service, they could not count their wartime service toward their pension benefits. This clause has been included so that these people may, deservedly I believe receive their full pension benefits for wartime as well as peacetime service.

Mr. Knowles: It is true, is it not, that if this legislation is passed in the other place and receives assent within the next week or two it will be in effect this very year?

Mr. Benson: That is true. As I say, it is important because this year a large number of servicemen will have completed 25 years service.

Mr. Bell (Carleton): Many hon. members have made representations on this subject and I think all are gratified that this injustice has been rectified.

Mr. Barnett: Some of us have been receiving a large number of representations about this question of wartime service and pension benefits. I have also received representations—and I confess I have not been able to understand them very well—about differences in arrangements as between members of the three former elements of the armed forces. Could the minister give us an assurance, or, better still, could the Minister of National Defence give us an assurance that these amendments will take care of the situation we have been hearing about recently?

Mr. Hellyer: Yes, this amendment applies equally to the three branches of the armed forces. It is in my opinion long overdue. This has been the subject of one of the major complaints I have received from men who have served in the armed forces and whose careers began in wartime service. I should like to say that this amendment was recommended to the Minister of National Revenue by the defence department and in particular by the associate minister who has been piloting it through its various stages before its inclusion in the bill.

Mr. Hopkins: As a member of this house who has a large military establishment in his constituency, I should like on behalf of the armed forces to express appreciation to the Associate Minister of National Defence for accepting this suggestion. During the past few months I have received a number of letters on this subject from people in the armed forces, particularly from those based at Camp Petawawa. This correspondence has been passed on to the associate minister. On their behalf I wish to thank him for putting forth a change in the legislation, so that members of the armed forces who will be retiring shortly will be given credit in their pension plan for active service during World War II.

• (8:30 p.m.)

Clause agreed to.

Clauses 41 to 50 inclusive, agreed to.

On clause 51.

Mr. Benson: Mr. Chairman, the Minister of National Defence will be moving the following amendment:

That clause 51 be amended by inserting, immediately after line 33, the following paragraph:

"(db) prescribing the period within which and the procedure by which any person dissatisfied with any decision or direction made by the minister under section 12 or subsection (3) of section 13 may appeal that decision or direction to the Treasury Board and authorizing the Treasury Board to make any decision or direction in relation thereto that might have been made by the minister under those provisions;"

Mr. Hellyer: Mr. Chairman, I so move.

Amendment agreed to.

Mr. McCleave: Mr. Chairman, I would like to draw to the minister's attention an anomaly that pertains to the amount of money that can be earned by either a former serviceman or former mounted police officer who subsequently enters civil service employment. The minister indicated to the committee that these people would be allowed to earn at least up to $4,218 per year without there being any deduction from the salary in their new position.

I would like to draw to the minister's attention that a sergeant major in the R.C.M.P. who has served 35 years and retired, would be entitled to a pension of $5,912.90, and we understood from the evidence of Dr. George Davidson, given to the committee, that he would not suffer any reduction in that $5,912.90 when going into the public service. In short, there is a discrepancy of approximately $694 between those two amounts.

Mr. Benson: Mr. Chairman, I have received the same letter as my hon. friend with respect to the position of the R.C.M.P. What Dr. Davidson said in committee, and Mr. Clark as well—and this is something I have looked at pretty carefully—was that the R.C.M.P. under regulations were treated the same as people in the armed services under section 17(2). This does not guarantee that people have the same amount of pensions in the R.C.M.P. as they have in the armed services, so that if an O.R. in the R.C.M.P. got a higher pension he would still be exempted under 17(2) because he is treated the same as an O.R. in the armed services.

I undertook at the committee, and I am willing to undertake again, that the regulations which the government will promulgate as a result of the passing of this legislation will be such that no officer entering the civil service will be treated any worse than a staff sergeant, which is the present highest level of pension for an O.R. coming into the government service. I would not like at this point to undertake anything beyond that in saying that officers will be treated better. The position of the R.C.M.P. in comparison with people in the armed services will continue to be reviewed.

Mr. Bell (Carleton): I have just two sentences to utter. The minister knows that I wish what he proposes were in the legislation. I ask him to take very seriously what he said to the committee, that what he proposes is the minimum, and I ask him to give with the greatest degree of generosity. One third sentence: I think generosity should indicate that these armed force pensioners should not be penalized in any way whatever.

Mr. Benson: Mr. Chairman, the hon. member knows how generous this government and I are.

Clause as amended agreed to.

Clause 52 to 57 inclusive agreed to.

On clause 58.

Mr. Benson: Mr. Chairman, the Minister of National Defence will move the following amendment:

That clause 58 be amended by inserting, immediately after line 18, the following subsection:

"(2a) The Governor in Council may make regulations prescribing the period within which and the procedure by which any person dissatisfied with any decision or direction made by the minister under this section may appeal that decision or direction to the Treasury Board and authorizing the Treasury Board to make any decision or direction in relation thereto that might have been made by the minister under this section."

Mr. Hellyer: I so move, Mr. Chairman.

Amendment agreed to.

Clause 58 as amended, agreed to.

Clauses 59 to 72 inclusive, agreed to.

• (8:40 p.m.)

On clause 73—*Regulations respecting leave of absence.*

Mr. Benson: Mr. Chairman, the Minister of National Defence will be moving the following amendment:

Immediately after line 27 on page 59, insert the following paragraph:

"(bc) prescribing the period within which and the procedure by which any person dissatisfied by any decision or direction made by the minister under section 13 or subsection (3) of section 16 may appeal that decision or direction to the Treasury Board and authorizing the Treasury Board to make any decision or direction in relation thereto that might have been made by the minister under those provisions;"

Mr. Hellyer: I so move.

Amendment agreed to.

Clause as amended agreed to.

Clauses 74 to 88 inclusive agreed to.

On clause 89—*Contributions by employees.*

Mr. Knowles: Mr. Chairman, clause 89 is one of two or three clauses which deal with the pensions of members of the Intercolonial and Prince Edward Island Railways Employees Provident Fund. This of course is in line with other cases of integration which are being effected. I rise merely to say what I said in the joint committee, that this reference to railway workers prompts me to remind the government that along with the need to do something for retired civil servants whose pensions are inadequate, something also will have to be done for retired employees of the Canadian National Railways.

Mr. McCleave: Mr. Chairman, if I may, I should like to re-emphasize the remarks made by the last speaker. Many of the retired pensioners live in the Halifax riding and their plight indeed does deserve action.

Clauses 90 to 94 inclusive agreed to.

On clause 1—*Short title.*

Mr. Knowles: Mr. Chairman, although there are a number of subjects concerning which I think action still is needed and concerning which we might continue to speak on this clause, I wish to raise at this point only one. I refer to the representations which have been made to the government for a change in the formula under which the pensions of widows of civil servants are calculated. We had some discussion on this matter in the special joint committee, due to the fact that this was drawn to our attention by some of the delegations which appeared before us.

During the proceedings of the committee I made reference to a copy of a letter which I now have before me, written by the Minister of Finance to Mr. Fred W. Whitehouse, National Secretary-Treasurer of the Federal Superannuates National Association. This letter from the Minister of Finance was written on May 25, 1966. I think, since it contains only three paragraphs, I might be permitted to read it:

Dear Mr. Whitehouse:

I have received your letter of May 13, 1966 concerning the question of the upward adjustment in the pensions of retired civil servants and their widows.

I am familiar with the earlier correspondence on this subject which you have had with my predecessor in office and also with the Prime Minister. This matter has been considered by the government on a number of occasions and I must advise you that I have nothing to add at this time to what the Prime Minister said on April 28 in the House of Commons as printed in *Hansard*, page 4424, of that date.

If I may interrupt myself before I quote the third paragraph, I should like to emphasize the obvious. This correspondence relates to two subjects; one, raising the pensions of civil servants already retired and, two, changing the formula under which the pensions of widows are calculated.

In the paragraph which I have just quoted it is clear that the Minister of Finance said to Mr. Whitehouse that he has nothing more to say on the question of raising the pensions of civil servants already retired. I regret that that is the position of the government. I do not intend to let it stand as it is, but at the moment that is it. But, Mr. Chairman, when we come to the final paragraph of this letter we have something in a different vein, regarding the question of changing the formula under which the pensions of widows are calculated. Let me read this final paragraph. I ask the minister to listen to it, and to note the contrast between this paragraph and the one which I just read, which said in effect: nothing doing, on increases of pensions of persons already retired. I now read the third paragraph:

The other question of an increase in the basic formula for the benefits payable to widows of former civil servants under the Public Service Superannuation Act is one which has been considered in the over-all picture of contributions and

benefits under the act. The government's decision in this regard will be indicated when the amending legislation is given first reading by the House of Commons.

Yours sincerely,
Mitchell Sharp.

I draw this to the attention of the Minister of National Revenue. I would draw it to the attention of the Minister of Finance if he were here. Here the Minister of Finance said to this official of this association representing retired civil servants that the government will not do anything at all now about the pensions of civil servants already retired, but then went on to say, regarding the benefits payable to widows of former civil servants that the government's decision in this regard will be indicated when the amending legislation is given first reading by the House of Commons. This letter was written on May 25, 1966, and the resolution preceding Bill C-193 was then on the order paper and due to be debated soon; as a matter of fact it was given first reading only a couple of weeks later, on June 6.

The contacts I have had with these people in the Federal Superannuates National Association were such as to indicate that they felt that whereas nothing was going to be done for the civil servants already retired, there was an announcement coming with regard to the basic formula under which pensions payable to widows are calculated. I will read again that governing sentence:

The Government's decision in this regard will be indicated when the amending legislation is given first reading by the House of Commons.

It was given first reading on June 6 this year, and then we learned that nothing was being done.

• (8:50 p.m.)

Surely, Mr. Chairman, if when this letter was written the case of the widows who seek an improvement in their basic formula was in the same category in the government's mind as the other one, the same answer would have been given to both points. But no—to the one point, a clear, categorical no; to the other point, "You will learn our decision when the bill is given first reading in the House of Commons." I should like to ask the Minister of National Revenue what happened between May 25 and June 6 to the government's decision with respect to the formula under which the pensions of widows of civil servants are calculated.

Mr. Benson: Mr. Chairman, I think it is pretty obvious from the legislation that the government decided not to change it at this particular time.

Mr. Knowles: That is obvious. As a matter of fact I had received this letter before we debated this matter on June 6. I thought from the letter that it was certain to be in the bill and it was a rude jolt to me when I asked the Minister of National Revenue, on the day when we had the resolution but did not yet have the bill, whether it was in there, and he told me that it was not. He is always such a generous, big-hearted man that I could hardly believe it. I suggest that it is not good enough for the minister simply to stand and say that obviously the government's decision was negative. Surely if at that point the government drew a distinction between these two issues and said with respect to raising the pensions of those already restored, "No change", but with respect to this basic formula, "Wait and see", the government is under some obligation to come through with a decision in favour of these people. Since we have not got it, may I ask the minister if the matter is under further consideration.

Mr. Benson: Mr. Chairman, the matter and the position of retired civil servants, and of course the matter of widows of retired civil servants, is under constant consideration; and, as I indicated in the committee, this matter is being actively considered by me, the Minister of Finance and other members of the government. But I think that all that is indicated in the kind of argument my hon. friend is trying to make is that at the time the letter was written the first matter had been decided and the second matter had not been decided, with respect to this particular legislation. With respect to this particular legislation the matter was later decided and as the hon. member can see, an amendment in this regard was not included in this legislation. I do not think I can add anything more.

Mr. Knowles: I must say, Mr. Chairman, that this is an unusual kind of letter to write if that is the case. If the government had not yet made up its mind, for the minister to write a letter to encourage these people to believe that something would not come in one case, and to tell them that something might come in the other, is not really fair.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Benson: By leave, now.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Benson moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed from Monday, June 27, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, we listened with interest last evening when the minister spoke on Bill C-207, enlarged on it and made some explanations in regard to it. This bill will to a large extent bring together a lot of loose ends in this department. Pretty well everything that is in the act was previously covered and the bill will now bring everything together under one head.

The bill is concerned with the war on poverty that was started by Mr. Kent; it was his brainchild. It is now carried on by Mr. Phillips with six or seven assistants. It is the same, largely, as the war on poverty in the United States. It has not reached the grand plan for the great society yet, but maybe it will someday. About a million people are now receiving assistance in Canada. The minister proposes to pump an extra $85 million into this program in the current year. Public service and welfare expenditures at all levels across Canada have now reached $500 million. This amount does not seem to be disproportionate. As a matter of fact, if we are getting value for the dollar I would question, when we have a gross national product of approximately $52 billion, whether it is enough to accomplish what we are setting out to do—if we really are setting out to do it, and I hope we are.

Fundamentally this program will cover food, shelter, clothing, fuel, utilities, household supplies, etc. The great majority of this amount, in fact 95 to 100 per cent, will be put right back into circulation. Therefore this money is in no way being put aside; it is put right back in circulation; it is in the life stream of currency and there is no loss in this respect.

The minister noted that the plan would make funds available to improve the staffs in municipal as well as provincial welfare departments and mentioned that in the province of Ontario they are now establishing regional offices. I think this is all to the good, but I am wondering whether this grand plan may be to build elaborate offices and staff them with people, well trained people perhaps, and spend a great many dollars in this connection which should be spent at the grass roots and on the people we propose to help. I think this aspect of the matter is worth watching, and I am well aware of the fact that we are very short of social workers now.

The minister stated that about one million people are on assistance now. This is a striking fact in comparison when you consider the brief submitted by the Ontario Federation of Labour. If this brief is correct, and I have reason to believe it is fairly accurate, if this is so, and we have only one million people on assistance, then surely there must be many people not receiving assistance in this country that need it.

• (9:00 p.m.)

The Ontario Federation of Labour stated in their brief that a million and a half people are living in destitution, and two million and a half lack the necessities and comforts of life. I am sure the minister is as well acquainted with this brief as I am. The yardstick that was used was a family of four living on an income of $2,000 or less, and individuals living on $1,000 or less. These people were considered destitute. Then there were families of four living on $3,000 and individuals living on $1,500, all of whom were deprived of many ordinary necessities. Of course the individuals living on $1,500 are poverty stricken, as are the families of four living on $3,000. There are those who will say that many live on less, but there is a vast difference between the million that are on assistance and those who need help, and points up many problems.

I suggest to the minister that the amounts that he has set out may not be sufficient. Let us consider who are the people included in the categories I have mentioned. They are the older workers, the pensioners, the unemployed and the underemployed. They are the school dropouts, the undereducated, the widows and the fatherless children. It is to be noted that about 5 per cent of the children

born in Canada are born out of wedlock. Included in the category of people needing assistance are the disabled, the sick, the retarded, the mentally ill, as well as the rural farmers and the migrant workers. The federation of labour concluded that 6.5 million Canadians live below the hard line which separates poverty and affluence. It was stressed that the most important cause of poverty was the lack of education.

I think that in considering this legislation we should bear in mind that the more education we give to our younger people, the greater number of people over the age of 45 will become unemployed—due to automation and the better trained young people. We should go into the home of the unemployed, or the underemployed worker so as to discover the real cause of their problem. Is the cause of their poverty lack of education or functional illiteracy? When we have discovered the reason for these people being on welfare, then re-education or retraining should be considered. If it is found that this state of poverty is chronic and is not due to some physical disability or sickness, then I think we should take a good look at the environment in which these people live. This is graphically illustrated in the figures put out by the welfare department, which show five or six generations of people who have been living on relief and welfare. The welfare of the children should also be considered because according to the surveys that have been made in the United States they are often undernourished and 80 per cent of them have problems of one kind or another, some physical and some emotional. They need a medical examination and they all need to see a dentist and an oculist. Apart from their physical problems some of those children have a lower than normal I.Q. and if they are given an opportunity to get some pre-elementary schooling most surveys indicate that their I.Q. will go up by about 10 per cent and that they will be able to catch up in from a few months to a year. Physically they will develop, and they will develop mentally a whole year in a few months.

This is the type of work that we should be doing under the Canada Assistance Act, if there is to be a war on poverty. It is not enough to spend money in helping those people; efforts should be made to change their environment and mode of life.

I now wish to speak on the problem regarding older people. We find that the problem of unemployment becomes a serious factor in people over the age of 45. The statistics show that the unemployment rates are higher in people between the ages of 45 and 65 than they are between the ages of 22 and 45. I am sure nobody knows that better than the minister, as he was minister of labour. The reason for this is the increasing change in education and technology. People at the age of 45 did not have the chance to acquire education which our younger people now have, and this problem must be met. They must be retrained to give them a chance to earn a living.

I now wish to speak of the older citizens. I do not think that they should retire at the age of 65 if physically fit. I would suggest to the minister that under the Canada Assistance Act provision should be made for retraining of people at and over the age of 65, and they should be given a creative type of work so as to enable them to take part in the growing economy of this country. This is a very important problem and related directly to their employment and happiness.

I now wish to read a few lines from the final report of the special committee of the Senate on aging, where it is said—in relation to the above:

> That employment has important psychological values as well was stressed continually in the evidence received by the committee. Said the Jewish Vocational Service of Toronto in its submission: "Work gives form, dimension and meaning to the life of the average citizen". And there was Mr. W., a retired widower, on an income of $150 a month, who, when the chairman asked him what he missed in retirement, replied, "Mostly getting up and going to work in the morning, catching the bus at a certain time—and just general routine".

This is one of the most important problems in the study of geriatrics. I have stated this before and the minister is well aware of the fact that half the people in Canada today are 25 years and under.

I wish to say to the minister that if this government have vision they will be looking to the years ahead when half the population of Canada will be 30 years of age and over. I was looking at the figures given by the Dominion Bureau of Statistics which show that there are more deaths than births in Canada today in the last report. I cite this as an indication that not only from the economic point of view but for their own peace of mind we must keep our older worker working. He is happy working. Then he is part of the team and part of Canada. He has his

home, and I feel that this we owe to these people, namely to arrange programmed employment.

• (9:10 p.m.)

Further, Mr. Speaker, the record shows that if we keep this man working and keep him happy, we keep him out of hospital and out of homes and institutions for many years, and in many cases for most of their lives. This we owe the people.

I now want to speak for a moment about our older people. The minister said last night that social service workers would call at their homes; this is one of the things he envisages. This is a very worth-while measure. Social workers visiting homes will keep many people in their homes year after year. If a meal is prepared for them once a day, or their beds are made or their houses cleaned, these people can stay on for years in their own homes.

Conversely, Mr. Speaker, I have seen cases where this has not been possible, cases where people were taken to rest homes where I have seen them deteriorate, and deteriorate very miserably. This objective of the minister is very worth while. I hope the Canada assistance plan will provide not just handouts; I hope it will do something constructive for the social life of the country; otherwise it will be a miserable failure.

Finally, there is one point in connection with this act which I just cannot understand the minister, though he seems to take a reasonable attitude to other points. I refer to the question of raising the old age pension. I know he will say that this matter is being raised once again, but I would recall to him the fact that people who are directly concerned are people who cannot help themselves very well.

Somebody said the other day that there are bout 750,000 of these pensioners; I believe that statement was made either in this house or in a committee. It is said that it would cost $800 million, or something like that, to give them an increase. I do not agree with those figures. Some of these people are already receiving assistance, and if they receive another $25 a month, this will amount to $300 a year. With 750,000 old age pensioners, the total amount involved in my book is $225 million. So I cannot follow the figure of 800 million.

I should just like to refer to an article in the *Globe and Mail* for June 23 which deals with this point. I am sure the minister must have read this article, and I would be surprised if he did not feel that he should grant an increase to these people. What changed his mind, I do not know. I am not going into the case of those whose working lives were half over by 1940. They were then earning less than 50 cents an hour, and the dollar of that day is worth about 33⅓ cents today in purchasing value. For all these years the government have stolen from them by inflation, and before I leave this house for the adjournment I must make a plea to the minister for heaven's sake to do something for these old people.

The *Globe and Mail* article reads, in part, as follows:

> While there are, of course, some well-to-do old people—

You know how many there are; 1½ per cent of them in 1961 had incomes of $10,000 and over.

> —every form of analysis we made or had made for us supported the very poor . . . Two-thirds of the population aged 65 and over had annual incomes under $1,500. It found that about half of the people in this age group needed help.
>
> Today the people in this group number about 1.5 million. That means that three-quarters of a million old persons are in need of help. The Canada Pension Plan will do nothing for them at all. The Canada Assistance Plan, when it comes into being, is supposed to help them if they can prove, each of them, that they need help; but, as Mr. Davis pointed out, to compel that many people "to undergo an individually administered needs test would be at once a costly and demeaning procedure."

The minister himself recognized this point, and I should like to put on record what he said. I am not sure who twisted his arm, but speaking at the Nova Scotian Hotel in Halifax on May 25 when he addressed the Canada Hospital Association annual meeting he had this to say:

> But, by the same token, I also know, as I'm sure you do, of people who have put off seeking needed medical attention because they just didn't have the money to pay for it. This is a matter of individual dignity and personal pride—

I suggest to the minister that he is making two classifications of citizens in the country today; those who are 70 and over and those who are young in their forties or thirties. On the one hand he is saying that this procedure is not demeaning to the older people; then he is saying: Come and let us know about your needs. I should like to know the psychology behind what is going on in the minister's mind on this point. I know he is a personable chap and does not want to hurt these older citizens; but I honestly feel that there is a

technicality in making motions at this time to correct this situation. If this were not so, I would propose a motion. However, we will watch it very carefully and see if the minister will not change his mind, and grant the $100 per month to those on old age pension.

Personally, I feel we must do something for the old age pensioners. I realize the minister said he has taken a look at the guaranteed incomes program, but that there are roadblocks in the way. If there are blocks in the way, in difficult legislation, all he has to do is bring in a parallel clause in the act to give these elderly people $100 a month. I would tell the minister that with the way the dollar is eroding in value at the moment, within ten years the government will have to supplement the benefits of the Canada Pension Plan. Therefore there is nothing so awful about giving the old people enough to keep them going until 1970. All I ask for is some generosity toward a deserving people, who helped maintain and build this country.

Mr. Deputy Speaker: The hon. member for St. John's West.

Mr. Knowles: Mr. Speaker—

Mr. Richard Cashin (St. John's West): Mr. Speaker, I welcome the opportunity to take part in this debate.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I rise on a point of order. The practice of this house is to follow the procedure of going from a speaker from the official opposition to a speaker from the New Democratic Party, and then on to the other parties, before returning to the government side. This is the second occasion this week that this practice has been departed from in the house. I think the procedure which has been adopted in the past should be followed. The hon. member from Winnipeg is prepared to speak at this time.

Mr. Deputy Speaker: I apologize. This is the first round on second reading. Perhaps I can call on the hon. member for Winnipeg North Centre (Mr. Knowles) now, and I will see the hon. member for St. John's West (Mr. Cashin) when the other speakers have had their turn.

Mr. Stanley Knowles (Winnipeg North Centre): Thank you, Mr. Speaker, I am sure it was just a case of inadvertence which put the hon. member for St. John's West (Mr. Cashin) on the record for a sentence or two.

The measure that is now before us is a very important piece of legislation. Like many bills that the Liberals manage to bring before parliament, it has in it both good and bad. The Liberals, indeed, seem to be past masters at this sort of thing. I think they enjoy putting the members of the House of Commons into a dilemma. The minister may think that is what he has done on this occasion. I suggest, before this debate is over, it will be necessary for him to rethink some of the fundamentals of this legislation.

• (9:20 p.m.)

The things in this bill that are good are in fact so welcome that a case can be made for speedy passage of this legislation, so that it might be put on our statute books without further delay. But, by the same token, the shortcomings of this legislation are so severe that we shall have to give them very serious consideration at this second reading stage of debate and also in committee of the whole on the clauses of the bill.

I have already said that the things in the bill that are good are extremely welcome. I must also say that in my view this bill introduces into our social legislation in Canada a step which, for the 1960's, is very retrograde, and is one that I hope will not be with us when this legislation is finally passed.

I suppose the fact that this bill does present us with a dilemma is well demonstrated by the open conflict last week between two experts in the social welfare field. I refer to the present general secretary of the Canadian Welfare Council, Mr. Reuben Baetz, and this predecessor in that same office, Mr. Richard Davis.

As hon. members are aware, during the sessions of the conference on social welfare that was held last week in Vancouver, these two gentlemen made pronouncements on this legislation. Mr. Davis expressed extreme regret that the bill did not cope adequately with the needs of senior citizens. He went so far as to say that because of the bill's shortcomings, the legislation would never get off the ground. Mr. Baetz on the other hand, conscious as he is of the things in the bill that are good, felt annoyed by what Mr. Davis had said and felt it necessary to call a press conference in which he sang the praises of the legislation, urging that it not be delayed.

I know that last evening the Minister of National Health and Welfare quoted the Canadian Welfare Council as being in support

of the legislation. He was perfectly justified in using the words he did in praise of his bill, because that is the official position of the Canadian Welfare Council. I think, also, that some attention has to be paid to the concern expressed by Mr. Davis. A little later in my remarks I shall also refer to the quotation that the Minister of National Health and Welfare gave us last night from the most recent brief of the Canadian Labour Congress. He knows what he did. He indulged in an old trick. He read three of four sentences out of that brief, but carefully refrained from reading the two or three sentences immediately preceding the ones that he read to this house. However, I shall come to that a little later.

I have already said that there is much in this legislation which is good. Despite the fact that I may wax a little warmer when I get to the things that are disappointing, I do want to take a few minutes to express my appreciation of the importance of certain aspects in social welfare legislation that are placed before us in Bill C-207.

In the first place I am delighted to see an increase in federal financial participation in welfare programs. As a matter of fact, when one studies this bill carefully, when one has in mind the difficulties that obtain in the federal-provincial field, he can be very pleased that federal money is being made available for most of what are known as the areas of welfare work in this country.

I think the general formula that is provided, under which the federal government will pay 50 per cent of all welfare costs as defined in the legislation, plus 50 per cent of the amount that a province spends in excess of a figure in a base year, is reasonable and realistic. This is good. I am glad that more federal money is being made available to the provinces for social welfare work. I am glad that as Canadians represented by the federal authority, we are participating in social welfare work across the board.

It is also good that a step is being taken toward the superseding of the means test by the needs test in those areas where we now have means tests. I hope that if the Minister of National Health and Welfare quotes me again on this point, as he did on one other occasion, that he will note what I am saying. I am glad to see means tests that we now have in certain areas being superseded by what are called needs tests. That does not mean that I think the needs test is the last word; neither do I approve of the introduction of a needs test in an area where we now have no test whatsoever.

In the area where means testing now takes place, however, the government is suggesting that we move out of that into an arrangement under which a person in need is to have his budgetary requirements assessed, to have his resources assessed, and then to be given such financial or other assistance as he needs to meet his situation.

It will be argued as to whether this is only a semantic difference. I think I would cast my lot in with the social welfare people generally and say that it is good to move from the means test that we now have in certain areas to needs tests in those areas. Another thing that is good about this legislation is that it recognizes at the Canada-wide level new areas of welfare work which are extremely important. I need not take time to name all such areas, but things like day care, and homemaker services stand out.

• (9:30 p.m.)

I welcome also the provision in this legislation for health care for persons in need for any of the reasons spelled out in the bill. I welcome the idea that money should be available to people in special homes, where needed. I am glad to see the federal government getting into the area of mothers' allowances and child welfare programs, at least on a financial basis. I think the work activity projects ought to be commended, as is the move to participate in Indian welfare programs. The whole idea that we should get away from the categorical concept of need to the general concept of need is certainly all to the good.

I can well imagine that social workers who are concerned with social welfare problems up to the point of retirement look upon this legislation as a most welcome document. It is highlighted by the provisions for staff training and development. The minister may say I am making a better speech than he did in support of the legislation. But he knows that my time is not yet half gone, and the other side of the story is yet to come.

Even with respect to the things in this bill which are good, I do not want the minister to think they are perfect, or the last word. After all, as his parliamentary secretary said in one of her outstanding speeches, it is not a grand new design; it is just juggling things around, tidying things up, and so on. It still leaves to the provinces the taking of the initiative in these various fields. Not one cent will go

directly from the Canada Assistance Plan to any person in Canada who is in need. The money will go to the provinces to assist them in their welfare work, and where the provinces decide to pay extra money to people they can get a share of what they spend from the federal government, in accordance with the formula. But there is no dollar benefit from this legislation flowing to any individual in Canada.

The other comment I should like to make about this whole piece of legislation in the welfare field up to the point of retirement is that, though it is good, though it is better than what we have had, it is really not in line with the latest thinking in the welfare field. I believe Professor Titmus was perfectly right in the statement he made in Vancouver last week—that if you go on making people think they are poor in order to get welfare benefits, you are not really doing a job.

I think the phrase "guaranteed income" is no longer the fantastic, futuristic notion that some people think it is. I believe it is the next step, and it is a step which should be taken soon, not just with respect to old age but with respect to everyone. I see the day coming not far off when we shall see proposed and acted upon, not just a guaranteed income of the kind the other place suggested for older people, namely that incomes be assessed and shortfalls made up, but that cash allowances will be paid to everybody, people being categorized as to age and so on. Then the income tax will be adjusted to take it back from people who do not need it.

There is all the difference in the world between making up what people have got, giving them welfare or relief because of their shortfall, and just giving money or allowances to everybody and then, by the income tax, taking it back from those who do not need it. I shall have something to say in a few minutes about the trials and tribulations of some of our older people who are attempting to live on their old age pension. But despite the fact that it is a crime we should ask these people to get along today on $75 a month, it is still to be noted that our older people today on a pension, which is theirs as of right, show a different attitude than the older people showed 30 years ago when pensions were given on the basis of a means test.

I have had contact with these people long enough to notice the difference. I remember what they were like 20 and 30 years ago. To get the old age pension carried a stigma; it was almost a disgrace. Today, people 69 and over can talk about their old age pensions with pride and with pleasure. Many of them have to pay a good chunk of it back in income tax, but we removed, to an extent at any rate, the stigma which went with relief or make-up payments when we took the means test off the old age pension. This was one of the greatest steps the parliament of Canada ever took, and I was thrilled to have a part in doing it. I still think the principle of making cash allowances first and then making recoveries by income tax from those who do not need the allowance is far better than the welfare method even when the means test is superseded by the needs test. It is this type of thing I wish the government was doing at this time.

I know how much the Liberals dislike our saying on this side of the house that it takes them far too long to do these things. The Minister of National Health and Welfare (Mr. MacEachen) was somewhat annoyed with me when I reminded him, when at last he brought in a labour code, that he was fulfilling a promise which had been made by the Liberals before he was born. That is the trouble with hon. gentlemen opposite. Eventually they do bring in needed reforms, but they do so decades too late.

Today the government should be giving parliament and the country direction with respect to the whole idea of a guaranteed income. I can sing the praises of this bill as far as it produces a new look in the welfare field; but do not let the minister go to sleep with pleasant dreams because I said that. I would prefer him to have another sleepless night realizing that after all his labour he has brought forth a program which does not meet the needs of the 'sixties and 'seventies.

Up to this point I have been talking about this bill in relation to the welfare field up to the point of retirement. I have said that in general it is good, though I have pointed out it could have been a great deal better had hon. gentlemen opposite accepted some modern thinking. But when one looks at what this government is doing with respect to people who are in their years of retirement, I say that this Liberal administration, with all its talk about progress is asking this house to approve of a retrograde step. By this, I mean it is asking us to introduce for our retired people something we got rid of in 1950—a test on the basis of what they are getting from

the state. The minister says this test is different—a needs test instead of a means test. He says that may be these people could get even more money under this arrangement than they might get under a flat rate increase.

• (9:40 p.m.)

I emphasize that it is only a "maybe". It depends on the province taking the initiative. It depends on the province looking at the money that is available and deciding in which of the areas it is going to spend it. But even if there are funds available for supplementing the pensions of retired persons, I say this business of re-introducing a test—call it a means test or a needs test—is a retrograde step for Canadians to take.

One of the most important steps that this parliament ever took was when it removed the means test from the old age pension at age 70, and it is good that we are gradually bringing the eligible age down to 65. But by this Canada assistance legislation the government is saying no to all of the pleas that have been made from this side of the house, and by my good friend from Brantford, and I am sure by others in the Liberal caucus, for an increase in the flat rate of benefit under old age security. It is saying: No, we are going to make a welfare supplement available on the basis of a needs test.

No matter how much or how little individuals in need may get relief because of the money proposed to be provided under this measure, I think we will rue the day that we reinstituted a testing program, so far as our retired people are concerned. In his statement last night the minister made the assertion that no industrialized country in the world has been able to solve this problem without social assistance, and he indicated that there are three ways in which something could be done for older people. One was a flat rate pension, a second was social insurance, and the third was social assistance.

The minister said that no matter what you did under the first two, the flat rate program and the insurance program, you could not avoid falling back on social assistance. I give the minister credit for saying, and in fact I quote him, that we should minimize our reliance on social assistance.

But I suggest that even if there is validity in the argument he used, and I do not agree with him, he is not living up to his own dictum, that we should minimize our reliance on social assistance, because he is leaving the old age security payment at $75 per month, and in effect asking that most of our senior citizens rely on social assistance. Apart from that, I wonder if the minister realizes how critical a comment he made last night with respect to the Canada Pension Plan. I do not speak as one who opposed the Canada Pension Plan. I fought for it harder than some people on the Liberal side of the house, and insisted that the house stay in session until it was passed.

[Mr. Knowles.]

But one of the things the Liberals kept telling us during the election before they assumed power, and in their propaganda about the Canada Pension Plan, was that the combination of the Canada Pension Plan and old age security would provide adequate retirement benefits for the Canadian people. Last night the minister stood up and said, "No, it cannot be done. The flat rate program and the insurance program are not enough. We are going to have to rely on social assistance for a supplement."

I say by that comment the minister criticized the Canada Pension Plan as not providing all that its proponents said it would, and at the same time he criticized the Old Age Security Act for not providing more than the present $75 a month. Despite his statement that we should minimize our reliance on social assistance, I say to him that by this measure he is asking the old people of Canada to maximize their reliance on social assistance, because these old people we are talking about do not have the Canada Pension Plan to fall back on. All they have is the flat rate benefit.

The minister is saying to them, "We cannot do anything for you under the Canada Pension Plan because that legislation was not designed for you, and we cannot do anything for you under the Old Age Security Act because the Minister of Finance (Mr. Sharp) will not give us the money to raise the pension. Your only recourse is to fall back on social assistance, and so we are providing that, with the old means test re-introduced."

Granted, the name of the test is being changed. It is being dressed up a bit, but it is still a case of asking our older people to rely on social assistance for a chance to live. I submit that this element in the legislation is the one that enables me to stand here tonight and praise the good things that are in the bill, and also to say that it contains a retrograde step that the parliament of Canada should not be asked to take.

I hope that before this legislation has had the consideration I trust it will get in the

next day or so, we will persuade the government that it cannot stall any longer on the question of raising old age security payments to $100 a month.

At the resolution stage I twitted the Minister of National Health and Welfare (Mr. MacEachen) about the fact that he had not made any reference to changes in the Old Age Security Act. He said he had, but of course a reading of his speech shows he had not. I suggested he was actually ashamed of the failure of this proposed legislation so far as old age security recipients are concerned.

I want to say for the minister now, even though he himself made some reference to the matter last night, that there are some things in this bill for old age security recipients. There is health care without the necessity of a needs test, and there is the possibility of care and maintenance in homes. But all of these things are of the character of welfare. They are not the dignified, uplifting kind of thing which we did for the senior citizens of Canada in 1950, when we took the means test off the old age security pension and said to our old people: When you reach the point of retirement you get your state pension as a matter of right.

I do not want us to go back on the excellent position we took then. Neither does my hon. friend from Brantford, if he does not mind my mentioning him again, because he made the same plea on a late show not many nights ago. Let us not go back on the dignified stand we took when we got rid of the means test. I suggest that is what this legislation is asking us to do.

I referred earlier to the difference of opinion at Vancouver between Mr. Baetz and Mr. Davis. Although I know both of these gentlemen I have not spoken to them since that exchange took place, and if I seek to interpret their difference of opinion it is my own interpretation, and they might not agree with it. I think their dispute is one that highlights the very nature of this bill. Mr. Baetz wants it. He wants it with the least possible delay because he sees the good in it, the good things I have tried to point out tonight.

Mr. Davis is not unmindful of those good things, but he has worked with the Senate committee on aging. He has spent many years in the welfare field. He has been concerned with old people for a long time, and he says the bill will not only do nothing for our older people, but in effect is taking a very retrograde step, the very step I have been discussing tonight.

Instead of the minister standing up and giving us the official position of the Canadian Welfare Council, as though nothing else should have been said—and what he said was perfectly true—along with that he should have paid some attention to what Mr. Davis had said and admitted that although this bill has much in it that is good it is not coping with the old age pension—

Mr. MacEachen: May I ask my hon. friend a question?

Mr. Knowles: Certainly.

Mr. MacEachen: Has his attention been drawn to a Canadian Press story from Vancouver in which Dr. Davis, upon whom he relies, is reported in quotes as follows:

> The Canadian Assistance Plan is an excellent piece of legislation as it stands now.

• (9:50 p.m.)

Mr. Knowles: Yes, Mr. Speaker, I know of that statement by Dr. Davis and I was just pointing out that the difference between these two social workers is an understandable one. They both agree that the welfare aspects are good. I suspect Mr. Baetz is not happy about the old age part of it either, but Dr. Davis is deeply concerned about what it does not do for the older people. The Minister of National Health and Welfare is awfully good at this business of pulling quotations out of the hat and giving them to us. Last night he quoted the Canadian Labour Congress.

Mr. MacEachen: Mr. Speaker, just as a point of explanation, I should like to say that I do not wish to misrepresent Dr. Davis. He said what I think I quoted him as saying about the Canada Assistance Plan being excellent as it is, but that he would call for a parallel piece of legislation dealing with what my hon. friend is mentioning. I think the difficulty in the argument being made by my hon. friend is that he fails to separate the issues.

Mr. Knowles: I thank the minister for what he said, because I have an amendment on my desk which I will be bringing in which asks for the very thing he said Dr. Davis wants. Before I do that I wish to remind the minister that last night he quoted from the most recent brief presented by the Canadian Labour Congress to the government of Canada. He quoted the several sentences on page 24

which welcomed the advent of the Canada Assistance Plan. The parts he quoted are on the record and there is no need for me to quote them again. For the most part they were unqualified approval of the general nature of the Canada Assistance Plan, with a particular reference to the change from a means test to a needs test. I should like to point out two things; first, this was before the Canada Labour Congress had seen the bill and, second, even with regard to the parts which appear to have its approval, it suggested there should be a different formula for the sharing of costs and that it should be on a sliding scale along the lines of the Hospital Insurance and Diagnostic Services Act. The minister did not read that. However, the important thing to which I want to draw the attention of the house is that the minister started reading at the middle of page 24 and did not note the paragraph just before that, particularly the last few sentences just before the point at which he started to read.

The previous paragraph speaks of the tremendous difficulty our senior citizens have in trying to get by on the $75 pension under the Old Age Security Act. The Canadian Labour Congress said this:

> There can be no disputing the fact that the aged in Canada have not been enabled to share in the growing prosperity of the country. They have been sidetracked from it to live as best they can on the limited income maintenance programs which now apply to them.

Then listen to this; this is the last sentence before the minister started to quote from the brief of the Canadian Labour Congress:

> We urge you to amend the Old Age Security Act further, not only to make the benefit available immediately as of age 65 but to raise the benefit itself to $100 a month.

Mr. Speaker, that is what the Canadian Labour Congress wants the government to do.

Mr. MacEachen: That is the Old Age Security Act.

Mr. Knowles: Yes, and that is what the Canadian Labour Congress wants to be used as a vehicle to meet the needs of our older people. The Canadian Labour Congress did not regard the Canada Assistance Plan as a vehicle to deal with old age at all, and yet the minister last night tried to quote the Canadian Labour Congress as though it was asking for this.

Mr. Speaker, as an opposition member I think I have made it pretty clear that there are things in this bill that are good, but also I

[Mr. Knowles.]

am terribly conscious, as I think are most of the people of Canada, of what this bill does not do—its shortcomings. Therefore I think the very suggestion by Dr. Davis which the Minister of National Health and Welfare quoted is what parliament should demand. I am just as anxious as anyone else to have a summer holiday, but I think we should stay here and demand, until we get it, a parallel piece of legislation which will deal with old age security at the same time as we deal with the Canada Assistance Plan.

Therefore, to bring this about, I move, seconded by the hon. member for Vancouver-Kingsway (Mrs. MacInnis):

> That Bill C-207 be not now read a second time, but that it be resolved that in the opinion of this house the government should give consideration to the immediate introduction of concurrent legislation providing for an old age pension of $100 a month, without a means or needs test, for all persons 65 years of age and over.

Mr. Deputy Speaker: The Chair would like to have an opportunity to consider the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). May the house grant permission to the Chair to reserve judgment for the time being, and continue with the debate on second reading.

Mr. Brewin: Mr. Speaker—

Mr. Deputy Speaker: It has been suggested to me that I read the amendment and then reserve judgment on it. It is moved by Mr. Knowles, seconded by Mrs. MacInnis:

> That Bill C-207 be not now read a second time, but that it be resolved that in the opinion of this House the government should give consideration to the immediate introduction of concurrent legislation providing for an old age pension of $100 a month, without a means or needs test, for all persons 65 years of age and over.

Mr. Brewin: Mr. Speaker—

Mr. MacEachen: Mr. Speaker, on a point of order—

Mr. Knowles: Mr. Speaker, you said judgment would be reserved.

Mr. Deputy Speaker: Order, please. The minister has risen on a point of order.

Mr. MacEachen: Mr. Speaker, I do not know what your intention is with regard to making a ruling, but I should like to reserve my right to argue that this particular amendment clearly and definitely is out of order. It is surprising that it should have been brought forward, because it is so blatantly out of order.

Mr. Knowles: Mr. Speaker, I reserve the right to argue the other way.

An hon. Member: So do I.

Mr. Deputy Speaker: I think before judgment is rendered the opinion of members of the house will be requested.

Mr. Langlois (Mégantic): Mr. Speaker, in the light of the fact that we might not have a decision on the amendment until tomorrow, I should like to call it ten o'clock.

Mr. McIlraith: Mr. Speaker, pursuant to standing order 6(2) I move that this house continue to sit until eleven o'clock this night.

• (10:00 p.m.)

Mr. Peters: Mr. Speaker, I object.

Mr. Deputy Speaker: I will read standing order 6, subsection (2):

> A motion that the house continue to sit after the hour specified in section (1) may be made at any time without notice. If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion.

Are there any members of the house who object to the motion as put by the Minister of Public Works (Mr. McIlraith)?

And more than ten members having risen.

Mr. Deputy Speaker: The motion will not be put before the house.

Mr. Starr: They want something—but they don't want it.

Mr. Winkler: Great Canadians, all those people down on the left.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I wonder whether the house leader could tell us what we might expect tomorrow as the business of the house.

Mr. McIlraith: Mr. Speaker, I have been trying to get a pattern for finishing the business before the house. We have had very good co-operation from the official opposition in getting business through. I do not know how to indicate the business for tomorrow, other than to say that hon. members should be prepared for us to call any of the items on the order paper or the notice paper, in any order.

I should like to suggest that tomorrow we consider sitting longer hours in order to get the business done, because the government is trying to put forward the legislation in an orderly way and in accordance with information that we have transmitted to all members of the house. I think that is the best way I can put it at the moment.

Mr. Starr: Mr. Speaker, we in this party agree heartily that we should sit longer hours tomorrow in order to endeavour to put through the business of this house.

Mr. Peters: On the point of order that is being raised, Mr. Speaker, there is certainly no one more interested in our obtaining a formal recess than I, and I think there is considerable agreement in this respect. But I think it would be unrealistic for us to consider this matter unless there can be agreement—and it has to be, I would think, by way of agreement—that this be done, and everyone in the house knowing exactly what we intend to do before the recess. If that can be done, I think members of this party would agree to the extension of hours; otherwise I think we had better not count on extending the hours, except by motion, before the end of the month.

PROCEEDINGS ON ADJOURNMENT MOTION

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

WATER RESOURCES—SALE OF CANADIAN WATER

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, my question for the late show originally arose out of the proposed visit by Mr. Stewart Udall, Interior Secretary of the United States, to Canada to confer with the Minister of Mines and Technical Surveys (Mr. Pepin), or the minister of energy and resources. When the minister was queried on the purpose of this visit he informed the house that the purpose of his meeting with Mr. Udall was primarily to discuss pollution problems.

I wanted an assurance from the Canadian minister that he would assure the American secretary that Canadian water was not for sale. My remarks would almost appear to be redundant now because Mr. Udall, as reported in the *Globe and Mail* of June 24, 1966, seems to agree with my position that Canadian water should not be for sale to the United States. Mr. Udall is reported as saying:

> We've suddenly begun to realize in the United States that if we do the right job in pollution control, we are going to increase our water resources enormously . . .
>
> We are not looking hungrily at Canada's water resources. We are looking at our own.

Proceedings on Adjournment Motion

I am delighted to know that the Secretary of the Interior of the United States made that statement because it seems to me that the United States, in order to solve their water problems, rather than looking at Canadian water resources to solve their problems, must look at their own water resources in terms of pollution and the prevention of the disposal of waste into water systems. In dealing with our own resources in Canada I think it is important to lay down some basic principles which should guide us in the years ahead.

In the few minutes allowed to me I would like to outline them quickly and briefly. My remarks do not apply to international waters such as the Great Lakes, the St. Lawrence river or the two rivers which cross the international boundary between our two great countries. Quite obviously it is in the interests of Canada as well as of the United States that our two countries should collaborate and co-operate to the fullest extent in the development of those water resources and in the control of pollution in them. I would point out that the Columbia river treaty is an excellent example of how our two nations working together can develop a water resource. However, I am deeply concerned about water that is solely and exclusively Canadian. I would suggest, Mr. Speaker, that in the years ahead this water should be used solely and exclusively for the benefit of Canada and Canadians. I wish to quote a statement made by Warren G. Magnuson, Washington State's senior senator at a conference in Wenatchee, Washington as quoted in the Vancouver *Province* of April 4, 1966. It reads:

> Warren G. Magnuson, Washington State's senior senator and chairman of the senate committee on commerce, drew cheers from the many Washington and Oregon delegates when he gave his answer to the demands of the arid U.S. southwest for Columbia water:
>
> "If we need it, you ain't going to get it."

He went on to say further:

> "Until we know how much we need, it is foolish to plan about how much we are going to give away", said Magnuson. And he warned against believing the promises of Arizona and California that they would give back Columbia water if it were needed in the northwest.

I suggest that the water policy laid out by Senator Magnuson for the state of Washington with regard to the arid states in the United States such as California, Idaho and New Mexico is a policy equally applicable to Canadian waters when we consider its sale, diversion or exchange with the U.S. arid regions. I suggest that at this time Canadians should not consider the sale, exchange or diversion of our own resource.

May I make another point, Mr. Speaker. I wish to say that water once given away, sold or exchanged cannot be regained. There are those who say that we have huge water resources in Canada which are flowing wastefully into the Arctic and into the Pacific and we should be making profit of them by selling them. I suggest that once the tap is turned on it cannot be turned off, and that therefore we should not consider turning it on.

Furthermore, Mr. Speaker, I suggest that we have no idea at this moment what is the exact nature of our water resources; and therefore to speak of the sale or exchange of resources, the extent of which we are not sure, is premature in the extreme. I submit that rather than talk of the sale or exchange of our water resources we must undertake, as I believe the minister is doing in co-operation with the provinces, an inventory of our water resources so that their development and management can best be used for the agricultural and industrial growth of our country.

• (10:10 p.m.)

Lastly, Mr. Speaker, in the seven minutes allowed me may I make the final point that there is a lot of talk about water being a continental resource. This idea that water is a continental resource is particularly noticeable in the proposals of the North American Water and Power Alliance which is a great public works scheme to take water from northern Canada and to flow it down through the United States as far as Mexico. This proposal is based on the premise that water is a continental resource.

That premise, Mr. Speaker, I reject in quite unequivocal terms. It seems to me that water is not a continental resource. Canada is a sovereign nation, and surely one of the primary characteristics of sovereignty is ownership and control over the resources of a sovereign nation. Water is a resource just as is oil, petroleum, minerals, timber, etc. Water that is solely and exclusively within the boundaries of Canada is surely a Canadian resource and is Canadian owned. It cannot in any way be regarded as a continental resource. Therefore, Mr. Speaker, may I say in closing that this water is not a continental resource but a Canadian resource, and as such should be used exclusively for the benefit of Canada.

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, I am very pleased to have heard about the "Basford" plan. Perhaps I could also use my three minutes to make a few remarks in reply to the hon. member, even if the question has disappeared.

In order to have a sale you need, besides an object, a seller and a buyer. A seller is somebody who is legally able and willing to deprive himself of the object; and a buyer is a person who is eager to acquire the object and willing to pay the price. In the case in point, the export of water to the United States, these conditions do not exist, at least at the moment, and will not for quite a few years to come. Canada is obviously not a seller, as has often been said both by this government and by previous governments.

The United States is obviously not a buyer. The Nawapa plan to which the hon. member referred is not U.S. policy, and Secretary of the Interior Udall on his last visit to Ottawa made this very clear. I do not want to repeat the quotations which the hon. member for Vancouver-Burrard has put on the record.

United States policy at this time is to inventorize, to recycle, to depollute and to ascertain their supply and needs. Whether the United States will ever ask Canada to sell them water, I do not know, and neither does anybody else. If we are wise however, as soon as possible we must find out what would be the position of Canada in such an eventuality.

At the moment, Mr. Speaker, we do not know whether we have something to sell. We do not know how much water we have and we do not know how much water we need. We know only that we are not willing to sell before we have a good idea what our needs are, and this is something toward which we are working. I cannot describe here the action taken by the federal government and by my department in particular in order to inventorize the quantity of water, in the oceans, lakes and rivers. I cannot analyze the past record and the projects we have in mind.

Another point I might make is this. No decision with respect to the export of water could conceivably be taken without the consent of the provinces of Canada. As a resource, water is essentially a provincial responsibility. For those people who might not trust the federal government, there is an extra security.

I am quite sure also, Mr. Speaker, that no decision will be or could be taken in Canada with respect to the export of water to the United States without taking into account public opinion. If it were ever decided to sell water, we will surely hear a lot from public opinion in this matter.

Mr. Barnett: What about the Columbia?

Mr. Pépin: Obviously the hon. member is preoccupied with that subject.

We are already hearing a lot from public opinion. At any rate, those are my views, Mr. Speaker. We have relatively ample supplies of water and we must use those as well as possible.

HEALTH AND WELFARE—REQUEST FOR GRANT FOR RETARDED AND DISTURBED CHILDREN

Mr. William Dean Howe (Hamilton South): Mr. Speaker, several days ago I raised the question of treatment for mentally retarded and disturbed children. More than two years ago, the Hall Commission recommended that, within six months, mental care be included under the Hospital Insurance and Diagnostic Services Act, and that a crash program of services for mentally retarded children be established. In two years there has been no mention of any such action from the government.

Care of retarded and disturbed children is now the joint responsibility of municipalities and the provinces, but the job has grown far too large for them. The situation in Hamilton is typical. The mental health clinic there handles referrals from medical sources, from schools, welfare agencies, juvenile court and probation officers, at roughly double the rate they can handle. They can provide diagnostic assessment only, not treatment. As of June 1 this year, 72 referrals were awaiting assessment and diagnosis. Of these, 36 cases were considered urgent, and 10 were emergencies.

This is only part of the picture. Referring agencies in Hamilton are aware of the acute problem, and refer only the worst cases. Studies of urban mental disturbance, from a huge variety of sources, indicate that there are approximately 7,000 mentally disturbed children of shool age in Hamilton—a staggering figure. These children need not only diagnosis but treatment. At this time, the mental health clinic can give no treatment at all.

Proceedings on Adjournment Motion

I should like to put on record an article from the Hamilton *Spectator* of June 23, 1966. I quote:

Hamilton doctors will continue sending young children to the Ontario Hospital unless the city supplies adequate child mental health services.

That warning came yesterday from Dr. Grant Beacock, mental health research chairman for the Hamilton Social Planning Council.

The planning council advised board of control yesterday to take prompt action—recommending a major increase in the city's child mental health clinic staff.

When the clinic was set up in 1948, Dr. Beacock said, it had an authorized staff of 5.5., including professionals and clerical workers.

The authorized staff is still the same size, although the city population has grown by 50 per cent, he pointed out.

The actual staff, Dr. Beacock said, is two full-time and one half-time.

That is why serious cases sometimes wait two months for treatment and chronic cases go to the Ontario Hospital, health authorities have reported.

The staff should be brought up to an establishment of 15, the social planning council recommended, almost triple its present strength.

Added personnel would cost the city an extra $100,000 yearly.

The present staff shortage is having a crippling effect on the clinic's operations, the council told board of control.

"The situation is so bad," said Dr. Beacock, "that Dr. William Hogg, one of the best child psychiatrists in the country, is doing most of his own social work and psychological work.

"He's even writing his own letters in longhand because he hasn't got secretarial staff."

Board of control has been made aware of the situation, a social planning spokesman said.

A request for more staff was rejected in 1962. Another request, contained in the health department's 1966 estimate, was chopped from the budget by the board.

The board promised to "study" the latest request.

A controversy over the treatment of youngsters at the Ontario Hospital arose from astory in *The Spectator* last month that a 10-year old boy was in an adult ward with alcoholics, homosexuals and mental patients.

The Welland boy, known as Grant, is still confined to the adult ward and a meeting of experts from various agencies is planned for tomorrow to discuss the case.

The boy, considered unmanageable, was turned over to the Welland Children's Aid Society, but they did not have the facilities to handle him. He was certified by doctors at Welland Medical Health Clinic for admission to the Ontario Hospital.

Treatment centres for retarded and disturbed children in Ontario are desperately overcrowded, and children in urgent need of care and treatment can only be put on waiting lists. The obvious answer is more facilities and more people; more hospitals, schools and clinics; more psychiatrists, psychologists, nurses, social workers and therapists.

[Mr. Howe (Hamilton South).]

• (10:20 p.m.)

All of this means more money, but this kind of expansion is beyond the resources of most municipalities. It is long past time for the federal government to recognize its responsibility in this field, and to follow at once the recommendations of the Hall Commission in this field.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): The federal government recognizes the responsibility it has in the field of assistance to mentally retarded children. I may say that when the government was approached by the Canadian Association for Mentally Retarded Children a meeting was arranged between representatives of the Department of National Health and Welfare and Dr. Alan Roehr, the national director of the association.

I might mention that Dr. Roehr is a personal friend of mine and it was my privilege to speak to meetings of the association in Winnipeg, Toronto, and Fredericton. I had at that time an opportunity to discuss with Dr. Roehr, and others concerned with the mentally retarded, the problems they face and the projects they have in mind. I am thinking in particular of the crusade for Canada's mentally retarded.

The hon. member will be interested to know that the Department of National Health and Welfare, together with the other departments which offer assistance in this field, are meeting with Dr. Roehr and other association representatives in an endeavour to find out just how the federal government can assist further in this most important program. I might also say that existing programs include the mental health grant, the child and maternal health grant, categorical assistance programs and programs under the civilian rehabilitation branch of the Department of Citizenship and Immigration.

CANADIAN CONSTITUTION—SUGGESTED STUDY BY PARLIAMENTARY COMMITTEE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, a few days ago I put the following question to the Prime Minister (Mr. Pearson):

In the light of recent electoral developments in Quebec and the strong views on the need for constitutional change that have been expressed from time to time by the new prime minister of Quebec, will the government reconsider the urgency of the appointment of a committee of the house to study from a federal viewpoint the question of constitutional change for Canada?

I am grateful for the opportunity to explain my reasons for suggesting that it is an urgent matter and one of vital importance to the future of Canada and of parliament. For a long time the various members of this house have indicated their view as to the need for such a committee. Only recently the Prime Minister indicated that the matter was under consideration.

The other night, on June 21, the parliamentary secretary to the Prime Minister gave what seemed to be a dusty answer to a similar question put by the hon. member for Sherbrooke (Mr. Allard)—an answer which, if it were taken seriously, would not only imply that no constitutional committee would ever be appointed, but indeed that there was no point in appointing any committee of this house. Fortunately the Prime Minister indicated on June 23 that the government view went no further than to consider it was not desirable to set up a committee on the constitution at this time—I quote the words of the Prime Minister.

I concede the government may well be entitled to consider the appropriate timing of the appointment of such an important committee. Undoubtedly there are reasons why the government does not desire to appoint such a committee at this particular moment, for example the fact that various royal commissions whose reports may touch on constitutional issues are due to report soon.

I wish to present the reasons of urgency for dealing with this matter soon. The Prime Minister speaking in the Throne Speech debate in January, spoke of the need for new frameworks within which each region of Canada can develop according to its own particular requirement as part of a strong, united country. The interim report of the B and B Commission has referred to the present situation in Canada as the gravest crisis in our history. Quite recently the province of Quebec had an election, and its new prime minister is an expert constitutional lawyer. Perhaps I should not say that in the presence of the parliamentary secretary, because constitutional lawyers seldom recognize the expertise of others in the field.

However, Mr. Daniel Johnson in his recent book "Egalite ou Independance" put forcefully the need for constitutional change if confederation is to be maintained. In it he made a number of suggestions, some of which were rather drastic, but at least he made it clear that the question of constitutional change cannot be bypassed, put off and ignored indefinitely.

I am alarmed at the prospect that at coming interprovincial conferences the government of Canada will be confronted with constitutional demands and that piecemeal concessions may be made and confederation undermined. It is vital that the government be supported by the informed opinion of members of this house from all parties and all regions of Canada. Consideration of the constitutional future of Canada is not a partisan matter or the property of any party, not even of the government party of the moment.

One last reason for urgency is that any such committee will require ample time for hearing experts and studying the problems involved in detail. If we are to take advantage of the spirit of our centenary, we must use the hundredth year of Canada's existence to reaffirm our national unity by making the constitution of Canada a Canadian document appropriate to the second half of the twentieth century. This will require a creative and constructive effort by the parliament of Canada. An all-party committee can be an important instrument in that process.

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): For some time now, Mr. Speaker, the hon. member for Greenwood (Mr. Brewin) has been a firm and earnest proponent of this kind of parliamentary committee to examine the constitution, and I was hoping tonight he would show some good constructive reason why this committee should be established. I am afraid he has not done so.

Surely if such a committee were to be of some service it would have to establish a consensus among Canadian parliamentarians as to what kind of constitution we want, and I do not think the hon. member has shown that this kind of committee would be of any use in bringing ideologically closer together members of this house, some of whom believe in federalism, some of whom believe in special statuses for provinces, and some of whom believe that all forms of direct taxation should be given over to the provinces. I do not think that this kind of committee would create this kind of consensus. It would merely be a forum in which the constitution would be turned into some kind of political football and become the subject of partisan debate.

Members of the opposition who are asking for this committee remind me of men walking in the dark who do not know where they are going and who want to hold hands with other people because they are afraid of getting lost alone.

On the other hand, even assuming some kind of consensus could be reached in this parliament, I do not see of what service it could be in the kind of federal-provincial debate which is taking place presently.

• (10:30 p.m.)

Surely the premier of Quebec, to whom the hon. member for Greenwood referred, will not come to the parliament of Canada to ask by what kind of constitutional wisdom he should be enlightened; on the contrary, the kind of debate which might occur in our parliament will be only of strategic interest to him, through knowing what our divisions and weaknesses are.

Mr. Brewin: Oh, oh.

Mr. Trudeau: If the hon. member for Greenwood can give us good reasons for this kind of committee, I would be prepared to listen to him, but he has stated the question in a way which shows there is division in Canada. With this I agree; but I think this is the precise time when we should not throw the constitution open to this kind of debate. I think this is the time when the government should be, and I believe is, taking the leadership in indicating the constitutional processes it wants to see followed. It is changing the constitutional applications slowly, and I think this is the right way to so it.

Mr. Deputy Speaker: Order. The time allotted to the hon. gentleman has expired.

Motion agreed to and the house adjourned at 10.35 p.m.

HOUSE OF COMMONS

Wednesday, June 29, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. WOOLLIAMS—STATEMENT BY FINANCE MINISTER RESPECTING WHEAT DELIVERIES

• (2:40 p.m.)

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I rise on a question of privilege. I gave notice on June 28, and could have raised this question of privilege yesterday but I did not do so. After the house hears the question of privilege it will understand why. This question of privilege arises out of a lengthy answer on a point of privilege raised by the Minister of Finance (Mr. Sharp) when he said as follows, as reported at page 6871 of *Hansard* of June 27:

> On a point of privilege, Mr. Speaker. I think the hon. member's uncorrected statement could do damage to our commercial interests. I have never made any such statement as attributed to me by the hon. member and I deny it.

He was referring to a question I had asked on June 27, as follows:

> Then may I put a question to the Minister of Finance. In view of the statement by the Minister of Trade and Commerce and in view of the minister's statement that irreparable damage had been done by the strike, can the minister tell us what is the situation?

I say that the answer by the minister given by way of privilege may reflect on my integrity in setting out the facts, and does reflect on what are the facts. On page 6053 of *Hansard* of June 7, 1966 in reference to the strike and its effect on deliveries of grain from western Canada to Russia, my question was as follows:

> A supplementary question, Mr. Speaker. In view of the statement of the Minister of Labour I would like to now put a question to the Minister of Finance. What effect has this long strike had on the fulfilment of the wheat contracts that were made by the wheat board with other nations?

The Minister of Finance answered:

> Mr. Speaker, this strike is having a very serious effect.

Then I asked as follows:

> A further supplementary question, Mr. Speaker. When the minister says "a very serious effect" does he mean that sales will be lost in respect of wheat agreements made between the wheat board and those countries purchasing our grain?

The Minister of Finance replied:

> I do not know whether this in fact will happen. I do not think it need happen. All I can say is that this strike is having a very serious effect upon the delivery of grain—

May I pause there; "a very serious effect upon the delivery of grain". He meant in my opinion the delivery of grain to fill the contracts with Russia, when there were 23 boats waiting to be loaded. He went on to say:

> —that the wheat board has already sold, and it is beginning to back up the movement into the country, making it more difficult for the wheat board to equalize its quotas.

In reference to this may I say that the Minister of Finance is responsible for the wheat board, and I would think that statements made by Mr. McNamara, the head of the wheat board, would be statements of which he would approve; or if he did not I would think by this time he would have made his position clear to Mr. McNamara. I should like to quote from the minutes of proceedings and evidence of the standing committee on agriculture, forestry and rural development of June 7, 1966, at page 381. Mr. McNamara was appearing before this committee and said:

> In fact, we were not only on schedule but considerably ahead of schedule, up until a few weeks ago. But of course, now they are very dissatisfied because they have 23 boats waiting for wheat and it is expensive when you charter freight and cannot get delivery. The Russians therefore are now very dissatisfied and I can understand this dissatisfaction because, as I tried to explain earlier, this is the period of time when they need imported wheat. Their new crops will be coming in and they will not be so dependent upon the imported wheat. There is no doubt in my mind that the delay at this time, in Canada meeting her commitments is going to have far reaching effects against Canada. We know from our experience last year in Vancouver, when our shipments were delayed and we had strike conditions there, that we have not yet recovered from the effect of those strikes. Because many buyers who normally were coming to Vancouver with confidence are now reluctant and are asking a lot of questions before they will enter into commitments from Vancouver. We also know that shipowners are now charging a higher freight rate from Vancouver than previously prevailed, which is making the Vancouver wheat more expensive and not as attractive—

Mr. Speaker: Order, please. I am wondering whether it is necessary for the hon. member to go to such lengths to put his question of privilege. I suggest that he come to the point soon.

Mr. Woolliams: Mr. Speaker, I was just coming to the point. I quoted the minister, who said:

All I can say is that this strike is having a very serious effect upon the delivery of grain—

In view of the statements of Mr. McNamara to the agriculture committee, which I quoted, I think my question was intellectually accurate and proper. The minister must realize that the strike had a serious effect on contracts, and I submit that my question to him as to whether the Minister of Trade and Commerce had considered previous contracts when negotiating new contracts so there might be a clause included by agreement in respect of delays, was a proper one. I now ask the minister to withdraw his remarks.

Mr. Speaker: Order, please. I do not think the hon. member has a right, on the basis of what he has said, to ask the minister to withdraw his remarks. The hon. member rose on a question of privilege and explained his position, as he has a right to do, but I do not think he has made out a prima facie case of privilege.

COMMITTEES OF THE HOUSE

Ninth report of standing committee on broadcasting, films and assistance to the arts—Mr. Basford.

Third and fourth reports of standing committee on industry, research and energy development—Mr. Cashin.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

LABOUR CONDITIONS

PROVISION FOR IMPLEMENTATION OF FINDINGS OF INDUSTRIAL COMMISSIONER

Hon. J. R. Nicholson (Minister of Labour) moved for leave to introduce Bill No. C-215, respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec.

Some hon. Members: Explain.

Mr. Nicholson: Mr. Speaker, I am sure the members of this house share the general satisfaction over the settlement of the strike of longshoremen at the three St. Lawrence river ports referred to in the motion. At the time I announced the settlement of this dispute in the house, on June 14, I stated that the settlement would not have been possible without an assurance from the Minister of Labour or the government that an industrial inquiry commission would be set up to inquire into working conditions at the three ports. On Thursday last I announced that such a commission had been established, and I tabled a copy of the formal appointment.

• (2:50 p.m.)

The mediator, Judge Lippé, in his report recommended that such a commission should be established. He also recommended in that report that the conclusions of this commission should be implemented by legislative enactment at the earliest possible date. The terms of appointment of the commissioner cover working conditions or what might be referred to as suggested formulae for possible increases in productivity in return for the increases agreed upon between the employers and employees. The purpose of this bill is to ensure that the conclusions of this commission should be implemented, as recommended by the mediator.

Motion agreed to and bill read the first time.

INCOME TAX ACT

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, pursuant to the resolution adopted on June 9, I move for leave to introduce Bill No. C-216, to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

Motion agreed to and bill read the first time.

EMERGENCY MEASURES ORGANIZATION

REFERENCE OF ESTIMATES TO NATIONAL DEFENCE COMMITTEE

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I regret that I was not paying attention and allowed motions to pass. I would ask the unanimous consent of the house to revert to motions.

Mr. Speaker: Has the minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Drury moved:

That, saving always the powers of the committee of supply in relation to the voting of public moneys, the items listed in the supplementary estimates (A) for 1966-67, relating to the Emergency Measures Organization be withdrawn from the committee of supply and referred to the standing committee on national defence.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wonder whether the minister would explain the reason. No doubt there is a reason for this action, and the house should certainly have the information.

Mr. Drury: I will be glad to explain, Mr. Speaker. I understand that the committee now has some time available to consider the supplementary estimates, which previously it did not look as if it would have. I think it is the view of most members of the house that the committee system is useful, and that where the committees have the time and ability to study the estimates, they should do so.

Motion agreed to.

HEALTH AND WELFARE

AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL DEFENCE AND DEFENCE PRODUCTION EXPENDITURES

Question No. 575—**Mr. Davis:**

What were the total expenditures of (a) the Department of National Defence, by province, for the fiscal year 1963-64 (b) the Department of Defence Production, by province, for the fiscal year 1963-64?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of National Defence and Defence Production as follows: Information is not now available to provide an accurate answer to this question and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

Questions

*DISCIPLINARY MEASURES FOR RETURNING OFFICERS

Question No. 1,346—**Mr. Ricard:**

1. Has the returning officer, during his term of office, the right to ask for funds for the benefit of a political party?
2. If not, are disciplinary measures provided and what are they?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, this question, in my view, appears to ask basically for an interpretation of the provisions of the Canada Elections Act. It is my understanding that ministers of the crown cannot properly offer such legal interpretations; thus I do not feel that I can rightfully attempt to answer this question by the hon. member in its present form.

[*Translation*]

Mr. Ricard: Mr. Speaker, I rise on a question of privilege.

I feel the hon. member could have given me an answer much sooner, as my question has been on the order paper since April 22, 1966. It seems to me the reason he has just given me is really no reason at all.

[*English*]

TOILET FACILITIES ON PUBLIC WHARVES, NOVA SCOTIA

Question No. 1,371—**Mr. Coates:**

1. On what public wharves in Nova Scotia has the federal government installed toilet facilities?
2. What is the annual revenue available to the federal government for the installation of toilet facilities on public wharves in Nova Scotia and which of the wharves make payments and in what amount in each case?
3. From whom are the revenues received in each case?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Caribou, Pictou, Sydney and Yarmouth.

2 and 3. Public toilet facilities are installed at the Caribou and Yarmouth ferry wharves. At Pictou, small office and toilet facilities installed in wharf shed for Magdalen Islands Transportation Company Limited under lease, annual rental $690. At Sydney a portion of the wharf shed, including toilet facilities, is occupied by Robin Hood Flour Mills Limited under lease, annual rental $8,400.

APPEAL RESPECTING INDIAN HUNTING RIGHTS

Question No. 1,449—**Mr. Schreyer:**

Has the Indian affairs branch of the Department of Citizenship and Immigration taken any action toward appealing a recent decision of the Manitoba

court of appeals respecting treaty Indians and their off-season hunting rights as they relate to the Migratory Birds Convention Act?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. In the case of Her Majesty the Queen *v.* Paul Daniels (Manitoba Court of Appeal) counsel for Daniels was informed May 13, 1966 that the government of Canada would provide assistance in respect of fees and disbursements to appeal to the Supreme Court of Canada. Assistance was also given in the proceedings before the Manitoba Court of Appeal.

ASSISTANCE TO INDIANS ON FISH AND GAME CHARGES

Question No. 1,450—**Mr. Schreyer:**

Has the Indian affairs branch of the Department of Citizenship and Immigration provided any legal or financial assistance to treaty Indian residents of Indian reserves in cases where such persons have been charged with violations of provincial game and fish laws?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Yes, financial assistance was given to counsel for the Indians in the following cases: Prince and Myron *v.* Reginam (1963) 46 WWR 121 (Supreme Court of Canada); Regina *v.* Sikyea (1964) 49 WWR 306 (Supreme Court of Canada); Regina *v.* White and Bob (1965) (Supreme Court of Canada) SCR VI.; Attorney General of Canada *v.* George (1966) April, (Supreme Court of Canada); The Queen *v.* Paul Daniels (1966) (Manitoba Court of Appeal).

PAROLED OFFENDERS

Queston No. 1,467—**Mr. Orlikow:**

1. How many men were released on parole from federal prisons in each year from 1960 to 1965 inclusive?

2. How many men in each year from 1960 to 1965 inclusive, violated conditions of their parole and were returned to prison?

3. What types of offences were committed by the paroled men who were returned to prison?

4. What was the cost for each of the years 1960 to 1965 inclusive of supervising every man out on parole?

5. What was the cost in each of the years 1960 to 1965 inclusive of keeping one man in one of the federal prisons?

Hon. L. T. Pennell (Solictior General): 1. 1960, 1,192; 1961, 1,005; 1962, 885; 1963, 663; 1964, 653; 1965, 822.

2. 1960, 116; 1961, 180; 1962, 153; 1963, 188; 1964, 155; 1965, 230.

[Mr. Schreyer.]

3.

	Indictable Offence	Breach of Parole
1960	59	57
1961	75	105
1962	74	79
1963	101	87
1964	81	74
1965	121	109

4. 1960, $421; 1961, $420; 1962, $430; 1963, $437; 1964, $450; 1965, $465.

Note: No complete figures are available. Amounts quoted were paid to aftercare agencies.

5. 1960-61, $2,293.85; 1961-62, $2,424.71; 1962-63, $2,753.83; 1963-64, $2,743.98; 1964-65, $3,074.51.

MUNICIPAL TAXES PAID BY CROWN COMPANIES

Question No. 1,501—**Mr. Caouette:**

Over the past five years, what were the annual sums paid to municipal corporations in lieu of taxes by the following crown companies (a) C.N.R. (b) Air Canada (c) Canadian Overseas Telecommunication Corporation (d) C.B.C. (e) Polymer Corporation Ltd. (f) Eldorado Mining and Refining Ltd.?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Transport, the Canadian Broadcasting Corporation, the Departments of Industry, and Mines and Technical Surveys as follows:

(a) C.N.R. 1961, $399,718.71; 1962, $573,273.17; 1963, $591,185.73; 1964, $587,131.11; 1965, $592,402.95.

(b) Air Canada. 1961, Nil; 1962, Nil; 1963, Nil; 1964, Nil; 1965, Nil.

(c) Canadian Overseas Telecommunication Corporation. 1961, $80,559; 1962, $81,381; 1963, $81,976; 1964, $80,848; 1965, $87,460.

(d) C.B.C. 1961, $302,503.81; 1962, $330,192.14; 1963, $348,914.66; 1964, $438,852.71; 1965, $482,786.38.

(e) Polymer Corporation Ltd. 1961, $472,837; 1962, $517,821; 1963, $582,099; 1964, $615,885; 1965, $650,313.

(f) Eldorado Mining and Refining Ltd. 1961, $282,743; 1962, $288,649; 1963, $277,658; 1964, $360,598; 1965, $360,239.

The above amounts consist of payments in lieu of taxes. In addition the C.N.R. and Air Canada, which are not agents of the crown for all purposes, make payments to municipalities which are considered to be taxes rather than grants in lieu of taxes.

UNION STATION, OTTAWA

Question No. 1,517—**Mr. Bell (Carleton):**

1. On what date is it now expected that the new railway station in the national capital will be put into regular service?

2. When is it expected that the railway tracks now leading to the existing Union Station in Ottawa will be lifted?

3. What are the present plans in respect of the existing Union Station and when is it proposed they shall be carried out?

4. What is the proposal for the utilization of the railway right-of-way leading to the existing Union station and what is the time schedule for its commencement, and completion?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): 1. It is expected that the new railway station at Hurdman will commence regular service in July 1966.

2. It is expected that the railway tracks leading to the existing Union Station in Ottawa will be lifted in the first week of August 1966.

3. The plan is for demolition at an early date, but at present the definite date has not been fixed.

4. The right of way leading to the Union Station will be utilized as a route for a new N.C.C. driveway linking up with Colonel By drive, at Main street.

EXPENDITURES ON EXTERNAL AID

Question No. 1,542—**Mr. Crouse:**

1. How much money is spent annually by all departments of government on external aid?

2. What are for each year the names of the countries to which aid is provided?

3. What is the total amount in goods, money and services provided annually to each country?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Aid allocations by the government of Canada have varied from year to year. In the 1965-66 fiscal year $223.1 million was made available, exclusively of military assistance. In 1966-67, approximately $300 million will be available for aid purposes.

2. See No. 3 below.

3. $31.6 million was in the form of cash grants and subscriptions to UN agencies and other multilateral institutions. The remainder was allocated to provide Canadian goods and services to developing countries and distributed as follows:

South and South-east Asia	Economic and technical assistance
India	$32.0 million
Pakistan	20.0 "
Malaysia	3.0 "
Ceylon	2.5 million
Others, including Vietnam, Laos, Cambodia, Thailand	3.5 "
Africa	
Nigeria	6.5 "
Ghana	2.0 "
East Africa	5.0 "
French speaking States	7.5 "
Other African countries	1.5 "
Caribbean	
Jamaica	3.0 "
Trinidad and Tobago	3.0 "
British Guiana (Guyana)	1.5 "
Barbados, British Honduras, Leewards and Windwards	2.5 "
Latin America	10.0 "
Commonwealth scholarship plan	1.2 "
Contingency fund	2.5 "
Total	$107.2 million
	Food aid
India	$25.0 million
Pakistan	4.0 "
Ceylon	2.0 "
Burma	.4 "
Dominican Republic	.3 "
UN Food Programs	3.3 "
Total	$35.0 million
	Export credits
Pakistan	$30.0 million
Mexico	9.9 "
Argentina	.3 "
Taiwan	5.0 "
United Arab Republic	4.1 "
Total	$49.3 million

DEEP WATER HARBOUR, ST. VINCENT ISLAND

Question No. 1,550—**Mr. Douglas:**

1. Did the Canadian government build, or assist in building, a deep water harbour for the Island of St. Vincent?

2. If so, what was the total cost of this project to the Canadian government?

3. Has the harbour and any facilities constructed in conjunction with it been turned over to the government of St. Vincent?

4. If not, in whose custody is the harbour and its facilities?

5. Was any agreement entered into between the Canadian government and the government of St. Vincent as to the future use of the harbour and its facilities?

6. If so, what are the terms of that agreement?

Questions

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

2. As at this date, Canadian government expenditures toward the total cost of building a deep water wharf with warehousing facilities in Kingstown, the capital of St. Vincent, total $1,005,364.01.

3. Yes, on July 11, 1964.

4. N/A

5. No.

6. N/A.

SEIZURE OF STILL

Question No. 1,557—**Mr. Godin:**

1. In the case of the seizure of a still, who must pay for the costs of the investigation and trial?

2. Does the law allow the disposal of the seized goods before a verdict of guilty is delivered against the accused?

3. How are the seized goods disposed of?

4. If the seized goods are sold, who takes possession of the proceeds?

Hon. L. T. Pennell (Solicitor General): 1. Investigation expenses are borne by the R.C.M. Police. Crown counsel is paid by the Department of National Revenue. If trial is by way of summary conviction and the accused is adjudged guilty, trial costs are assessed against the accused; if the accused is adjudged not guilty trial costs are borne by the R.C.M. Police. If trial is by indictment, costs up to and including the preliminary hearing are paid by the R.C.M. Police and subsequent costs are paid by the province.

2. Yes, but subject to the right of the person concerned to make a claim therefor and have the forfeiture adjudicated by the Exchequer Court.

3. Seized goods may be disposed of by release to a claimant, sale by tender or, destruction, if they have no commercial value.

4. The Receiver General of Canada.

SHORT WEIGHT SALES OF MEAT

Question No. 1,582—**Mr. Saltsman:**

In the period from April 1965 to April 1966, were any complaints regarding short weight selling of meat at the retail level received by the government and, if so (a) how many (b) how many of these complaints were placed by consumers (c) how many were placed by government officials and inspectors (d) what action was taken in regard to these complaints?

Hon. Robert Winters (Minister of Trade and Commerce): Yes: (a) statistics are not maintained on the number of complaints, nor on individual commodities; (b) see (a); (c) though not categorized as complaints, departmental inspections for short weight infractions of all commodities, in the calendar year 1965, were made at 14,398 retail outlets; (d) all complaints from the public, or problems evident from the department's own program, are investigated and, where indicated, appropriate corrective action is taken by warning, and if necessary, prosecution.

WEIGHT INSPECTIONS OF MEAT SALES

Question No. 1,583—**Mr. Saltsman:**

In the period from April 1965 to April 1966, were any inspections in regard to accurate weight of meat products sold at the retail level carried out by the government and, if so (a) how many (b) how many infractions were noted (c) what action was taken in regard to these infractions?

Hon. Robert Winters (Minister of Trade and Commerce): Yes: (a) statistics on individual commodities are not maintained; a sampling of all short weight inspections projects approximately 171,000 meat packages were inspected; (b) a similar estimate would indicate approximately 10 per cent beyond tolerance; (c) such infractions are brought to the attention of traders, and follow-up shopping is done; if appropriate corrective action is not indicated, prosecutions are launched. In the calendar year 1965, 1641 retail outlets were shopped resulting in 115 prosecutions.

CENSUS OFFICIALS, SHERBROOKE CONSTITUENCY

Question No. 1,595—**Mr. Allard:**

1. What are the names and addresses of the census commissioners who have been appointed for the constituency of Sherbrooke?

2. Who recommended these commissioners?

3. Who was invited to nominate the commissioners in the constituencies?

4. What instructions were given to officials of the Dominion Bureau of Statistics concerning the appointment of commissioners?

5. By whom were said instructions given?

6. Have officials of the Dominion Bureau of Statistics called upon the public in each constituency, through the press, for the choice and the nomination of census commissioners and, if not, for what reason?

7. Who is responsible at the Dominion Bureau of Statistics for the census for the region to which Sherbrooke belongs and what is the address of his office?

8. Which officials of the Dominion Bureau of Statistics give instructions to the census commissioners and other census appointees for Sherbrooke and what are the addresses of these officials?

9. What are the employment requirements of the Dominion Bureau of Statistics for the census commissioners for the next census?

10. What are the salaries of the census commissioners and the people they employ?

11. Has the Dominion Bureau of Statistics appointed students and eligible unemployed people as commissioners and those who work under them and, if not, for what reason?

12. Who gave the Dominion Bureau of Statistics the list of names of the five commissioners for the constituency of Sherbrooke?

[*Translation*]

Hon. Robert Winters (Minister of Trade and Commerce): 1. The Census Commissioners appointed for the Constituency of Sherbrooke are: Mr. Léon Lefebvre, 226-9th Avenue South, Sherbrooke; Mr. Pierre Lorrain, 1420 Joliet Street, Sherbrooke; Mr. Denis Proteau, 1493 Lalemand Street, Sherbrooke; Mr. André Charpentier, 1071 Prospect Street, Sherbrooke; Mr. Claude Gingues, 1348 Cherbourg Street, Sherbrooke.

2, 3, 4, 5, 6 and 12. The Bureau of Statistics defined the requirements for the position of Census Commissioner and the appointments to the five Census Commissioner positions were made by the Minister of Trade and Commerce following recommendations and interviews by the regional office representatives of the Bureau. The press was not used to solicit applications.

7. Mr. Pierre Gadbois, Regional Officer, Dominion Bureau of Statistics, Suite 830, 1165 Bleury Street, Montreal 1, Quebec.

8. For the Census Commissioners of the Constituency of Sherbrooke, classes were conducted in April and May at the National Employment Service Office, 299 Olivier Street, Sherbrooke by Regional Office Representatives who had been trained by specialists from Ottawa. The Census Commissioners, in turn, trained the Census Enumerators.

9. Plans for the 1971 Census of Canada have not yet been made.

10. Each Census Commissioner will be paid $1,100 when the field work in his Census District is completed to the satisfaction of the Dominion Statistician. Census Enumerators will be paid on the number of forms completed accurately; a basic rate of 8c. for each person enumerated; $1 for each farm holding enumerated; 15c. for each merchandising establishment listed and from 5c. to 8c. per dwelling listed. In addition, if Census Enumerators require instruction regarding both Population and Agriculture, they will receive $22.00; but if instruction regarding Population only is required, Enumerators will receive $12.00.

11. Yes; in addition to field work, many students and unemployed persons, who were successful in the qualifying Civil Service examination, are employed in processing the completed Census forms at the head office and regional offices of the Dominion Bureau of Statistics.

C.N.R. PURCHASE OF LARGE HOPPER CARS

Question No. 1,605—**Mr. Watson (Assiniboia):**

1. Has the C.N.R. any plans to purchase large hopper cars capable of carrying approximately 4,000 bushels of grain, the same as the cars being used in the United States for exclusive grain train use?

2. If not, will the Minister of Transport discuss this with the C.N.R.?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Not at present.

2. He has already done so.

WHEAT IN STORAGE, PRAIRIE PROVINCES

Question No. 1,609—**Mr. Diefenbaker:**

What is the estimate of the number of bushels of wheat in storage (a) on farms (b) in local elevators, as to this date in each of the provinces of Saskatchewan, Alberta and Manitoba?

Hon. Robert Winters (Minister of Trade and Commerce): (a) There are no current data available with respect to farm stocks of wheat. The most recent estimate, as at March 31, placed farm stocks of wheat in each of the prairie provinces as follows:

	millions of bushels
Manitoba	39.0
Saskatchewan	307.0
Alberta	99.0

(b) Stocks of wheat in country elevators as at June 1, 1966 were as follows:

	millions of bushels
Manitoba	13.0
Saskatchewan	86.5
Alberta	46.0

BUSINESSES QUALIFIED UNDER DESIGNATED AREA LEGISLATION

Question No. 1,611—**Mr. McCutcheon:**

1. Have any businesses qualified to receive taxation certification under the designated area legislation administered by the federal Department of Industry and if so (a) how many (b) how many of these industries are in Ontario (c) how many of these industries are in Quebec (d) how many of these industries are in the rest of Canada?

2. What was the approximate amount of tax relief enjoyed by these certified companies in the year 1965?

Hon. C. M. Drury (Minister of Industry): 1. In the period December 5, 1963 to May 31, 1966, 290 new businesses declared their intentions of establishing new manufacturing or

processing operations in designated areas in order to qualify for the benefits under section 71A of the Income Tax Act. Of these, 89 new businesses have been issued certificates confirming the dates on which the firms have achieved acceptable levels of commercial production. Ontario, 53; Quebec, 22; remaining provinces, 14.

2. Disclosure of details of income tax returns by individual businesses is not permitted under the Income Tax Act.

*VISIT TO PUERTO RICO BY B AND B COMMISSION STAFF

Question No. 1,623—**Mr. Rynard:**

1. Have any employees of the Royal Commission on Bilingualism and Biculturalism visited Puerto Rico on commission business and, if so (a) how many (b) what was the purpose of these trips (c) what was the cost involved?

2. Is there any connection between the Royal Commission on Bilingualism and Biculturalism and Puerto Rico and, if so, what is that connection?

Mr. P. E. Trudeau (Parliamentary Secretary to Prime Minister): I am informed by the royal commission as follows:

1. Two commissioners and one staff member joined HMCS *Bonaventure* on its recent exercises in the Atlantic, to observe the ship in action and discuss with the officers and men questions relevant to the commission's mandate. This experience was judged desirable by the Department of National Defence, the Royal Canadian Navy, and the royal commission as providing essential background and first hand experience of actual operating conditions for the further research information on the armed services being prepared by the commission's research staff.

The staff member accompanying the commissioners is a research employee in the commission's armed services research group, and was responsible for travel arrangements, liaison with the Department of National Defence and the Royal Canadian Navy, and for recording appropriate information on the experience. Costs were as follows: 2 commissioners, $463 air fare, $94.50 expenses. 1 staff member, $152.70 air fare, $126.95 expenses.

An hon. Member: What about high school?

Mr. Trudeau: The hon. member will have to speak louder; I did not hear him.

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, I cannot understand these remarks. Hon. members should speak up if they wish to appear on the record. I cannot hear them.

Some hon. Members: Neither could anybody else. Please continue.

Mr. Trudeau: I am in no hurry. I cannot understand the hon. member, and I do not think he can understand himself.

2. The commission team joined HMCS *Bonaventure* in Puerto Rico where it was at harbour on March 20 and debarked at Halifax March 25 when the ship completed exercises. Otherwise there is no connection between the commission and Puerto Rico. The commissioners arrived approximately two hours prior to boarding, while the staff member arrived two days in advance to arrange administrative details.

CANADA ASSISTANCE PLAN

Question No. 1,639—**Mr. Coates:**

1. From what date will the proposed Canadian assistance plan be applicable to assistance schemes implemented by provincial governments?

2. What prior approval is necessary from the Department of National Health and Welfare in order for the provincial governments to qualify?

3. Have discussions been carried out by officials of the Department of National Health and Welfare with regard to the proposed Canada assistance plan and provincial schemes that would qualify for assistance and, if so, in what provinces and on what dates were the provincial schemes passed by the legislatures?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. April 1, 1966.

2. The plan will provide for federal-provincial agreements under which the federal government will contribute to the costs of assistance and welfare services provided under provincial legislation listed in the agreements. The provincial programs covered will be those that provide for assistance and welfare services under term and conditions consistent with the Canada Assistance Plan.

3. Yes. Some provinces have legislation of the kind that the plan foresees. The Ontario legislature has before it legislation amending a number of welfare acts. The following provinces have adopted new legislation: Prince Edward Island: Welfare Assistance Act, Royal Assent, April 7, 1966. New Brunswick: Social Assistance Act, Royal Assent, June 10, 1966. Quebec: Medical Assistance Act, Royal Assent, March 31, 1966. Saskatchewan: Saskatchewan Assistance Act, Royal Assent, March 11, 1966. Alberta: Act to

Amend the Public Welfare Act, Royal Assent, April 7, 1966. The Preventive Social Services Act, Royal Assent, April 7, 1966.

STAFF APPOINTMENTS, CITIZENSHIP AND IMMIGRATION

Question No. 1,642—**Mr. Saltsman:**

1. Have any new appointments to the staff of the Department of Citizenship and Immigration been made since January 1, 1966, and, if so (a) how many (b) how many of these were new appointments not previously with the Unemployment Insurance Commission?

2. Do any vacancies now exist in the Department and, if so (a) how many (b) in what fields are these vacancies?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Yes. (a) 533; (b) 488.

2. Yes. (a) 1429; (b) Senior managers, 4; Employment service officer, 588; Administrative officer, 182; Technical officer, 24; Economist, 25; Managers, 8; Chief statistician, 1; Management analyst, 7; Chief special programs, 1; Personnel administrator, 19; U.I.C. inspector, 6; Public information officer, 10; Immigration officer, 95; Translator, 7; Assistant (U.K.), 74; Draftsman, 2; Electronic data processor, 2; Cleaning service man, 2; Administrative support, 372.

DISPOSAL OF HEATING EQUIPMENT, OTTAWA

Question No. 1,645—**Mr. Keays:**

1. Has any heating plant equipment been sold or otherwise disposed of, as a result of the conversion of the central heating plant on Cliff street in Ottawa, except to Crown Assets Disposal Corporation?

2. If so (a) what equipment, new or used, was sold or otherwise disposed of and to whom and for what price in each instance (b) who authorized the sale or other disposition of such equipment in each instance and were public tenders invited before such sale or disposition (c) who was the chief engineer at the central heating plant at the time of the sale or other disposition of such equipment?

3. What equipment, if any, was sold or disposed of by C.A.D.C., to whom and for what price in each instance and were public tenders called in respect of such sales or dispositions?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Defence Production and Public Works as follows:

1. Yes.

2. (a) No new equipment was sold or otherwise disposed of. Certain coal firing equipment and accessories which had to be removed to make way for new firing systems became the property of The Consumers' Gas Company, contractor for the conversion work, under the terms of the contract and was removed from the site by the company.

Certain materials held in stock by the department for use as sapre parts for the coal handling equipment was declared surplus to the Crown Assets Disposal Corporation.

After the conversion was completed, as a part of plant maintenance and clean up, it appears that a quantity of spare parts may have been irregularly disposed of. This is under investigation by the R.C.M.P.

(b) The contract for the conversion with The Consumers' Gas Company was authorized by the Treasury Board.

The disposal of the surplus material to the Crown Assets Disposal Corporation was authorized by the superintendent of government buildings, Ottawa.

The plant clean up was authorized by the assistant chief plant engineer.

(c) The chief engineer at the Central Heating Plant at the time was Mr. John L. Hanlon.

3. Nil.

SASKATCHEWAN—COMPENSATION TO FARMERS FOR RABIES LOSSES

Question No. 1,651—**Mr. Southam:**

Has the government of the province of Saskatchewan made application to the federal government to set up joint legislation similar to that now in existence in Ontario and Quebec under the Federal Provincial Contagious Diseases Compensation Act to provide compensation for those farmers in Saskatchewan who have experienced losses in their herds due to rabies?

Hon. J. J. Greene (Minister of Agriculture): No.

POLITICAL ACTIVITIES OF CENSUS COMMISSIONERS

Question No. 1,654—**Mr. Enns:**

1. Is there a limit or restriction on the political activity of census commissioners?

2. If so, does this restrict such persons from nominating a candidate for a political party or acting as an official agent to a candidate in the provincial election campaign?

Hon. Robert Winters (Minister of Trade and Commerce): 1 and 2. Census commissioners are not appointed by the Civil Service Commission but are appointed by the Minister of Trade and Commerce under section 5 of the Statistics Act. Neither the Statistics Act nor the oath of office administered to census commissioners limits or restricts the political activity of census commissioners. The only restriction would be the practical one that the political activity did not interfere with the work or effectiveness of the census commissioner in performing his duties in connection with the taking of the census.

Questions

EMIGRATION AND IMMIGRATION, 1960-65

Question No. 1,664—**Mr. Irvine:**

1. How many people left Canada for permanent residence in the United States in each of the years 1960 to 1965 inclusive?
2. How many people arrived in Canada from the United States to take up permanent residence in each of the years 1960 to 1965 inclusive?
3. How many people left Canada to take up permanent residence in all other countries except the United States in each of the years 1960 to 1965 inclusive?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Citizenship and Immigration as follows:

1. Immigrant aliens admitted to United States whose last permanent residence was Canada: Calendar Year; 1960, 48,682; 1961, 45,209; 1962, 47,579; 1963, 51,512; 1964, 49,995; January to June 1965, 22,277.

Source: United States: Immigration and naturalization service, Department of Justice.

2. Immigration to Canada from the United States

Year	Total
1960	11,247
1961	11,516
1962	11,643
1963	11,736
1964	12,565
1965	15,143
	73,850

3. Estimated emigration from Canada to all countries other than United States: Calendar Year; 1960, N.A.; 1961, N.A.; 1962, 24,000; 1963, 26,000; 1964, 28,000; 1965, 26,000.

INDUSTRY DEPARTMENT EXPENDITURES, ROBERVAL CONSTITUENCY

Question No. 1,666—**Mr. Gauthier:**

Has the Department of Industry spent any money in aid to new industries in the constituency of Roberval in the last four years and, if so (a) how much (b) in which municipalities?

Hon. C. M. Drury (Minister of Industry): The National Employment Service areas of Dolbeau and Roberval, parts of which comprise the Constituency of Roberval, have been designated under the Area Development Program. Seven firms have declared their intentions of establishing or expanding manufacturing or processing operations in the areas in order to qualify for the benefits of the Area Development Incentives Act of June 30, 1965, as follows:

Area	No. of Projects	Investment	Direct Employment
Dolbeau	2	$ 359,000	70
Roberval	5	1,297,000	99
Totals	7	$1,656,000	169

As none of the projects are yet in commercial production, no payments of capital grants have been made to date.

*ANTI-CIGARETTE CAMPAIGN

Question No. 1,687—**Mr. Rynard:**

1. How much money has been spent by the government on the anti-cigarette campaign (a) in the schols (b) in the press (c) in other media?
2. What are the results to date in the prevention of cigarette smoking or in stopping the habit?
3. What further procedures are planned in prevention?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Because of the length of the reply to starred question 1,687, Mr. Speaker, the answer is being printed in *Hansard*.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: The text of the reply referred to above is as follows:*]

1. (a) A total of $220,074.79 was expended by the Department of National Health and Welfare on the Canadian smoking and health program up to March 31, 1966. It is impossible to determine what proportion of this was used for materials for schools because some items are for the use of the general public as well as schools and we do not know the distribution within individual provinces. (b) $3,267.60 was spent for an experimental series of display advertisements in a national monthly publication, *Canadian High News*, directed to high school students across the country. (c) Expenditures in other media totalled $151,953.60. Research expenditures totalled $64,843.59.

2. We have recognized from the outset that we are involved in a long term program of health education regarding the health hazards of cigarette smoking. The first objective of the program is to inform Canadians about the health hazards of cigarette smoking. Following that, ultimate success will depend upon changes in public attitudes regarding the habit. A survey conducted for my department between November, 1964 and January, 1965, showed that 90 per cent of Canadians were aware of the harmful effects of cigarette

smoking and 60 per cent of them believed that cigarette smoking is a health hazard. The second survey of smoking habits of Canadians 15 years of age and over which was carried out for my department by the Dominion Bureau of Statistics showed that, in general, the proportion of cigarette smokers was about the same in September, 1965 (42.8 per cent regular smokers) as in August, 1964, (42.0 per cent regular cigarette smokers). A report of the second survey is being prepared in the department.

3. In co-operation with provincial departments of health and education and various voluntary and professional organizations my department will continue the Canadian smoking and health program to inform the public about the risks to health of cigarette smoking; to encourage smokers to discontinue the habit; to dissuade non-smokers from acquiring the habit; and to promote research. By this fall we expect to have a comprehensive collection of new Canadian materials for use in schools as well as new materials for the general public. The desirability and feasibility of further procedures are under consideration.

REQUIREMENT FOR AGRICULTURAL WORKERS

Question No. 1,688—**Mr. Danforth:**

1. What is the number of additional agricultural workers that it is estimated will have to be brought in for planting and harvesting, particularly in the counties of Essex, Kent, Elgin, Norfolk, Lambton and Middlesex, in Ontario?

2. How many applications were made for labourers from Jamaica (giving numbers by county of persons requested)?

3. How many labourers are estimated as available from Indian reservations, from local areas in other provinces stating locations, from the U.S.A., and from immigration?

4. What emergency measures are contemplated by the government, other than encouraging students and housewives, should present measures prove inadequate to harvest 1966 crops without loss of quality or quantity or both?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. Information is not available by county; however, estimates of additional agricultural workers required for planting and harvesting by general area are as follows: Southern Ontario, 3,600; Niagara peninsula, 2,500; Other Ontario areas, 9,000; Total: 15,100.

2. Information is not available by county; however, by office areas in the counties mentioned, applications for Jamaicans on file, as of June 16, 1966, are as follows: Newmarket local office area, 50; Leamington local office area, 8; Windsor local office area, 5; Simcoe local office area, 27; Oshawa local office area, 10; St. Catharines local office area, 4; Total 104.

3. Estimates of workers available and the sources are as follows: 800 from Indian reservations; 600 from Atlantic provinces (Information is not available); 900 from Quebec (by local areas in the Atlantic and Quebec provinces); 2,200 from U.S.A.; 540 from immigration. In addition, it is expected that the demand areas of Ontario will supply approximately 7,300 workers and other areas in Ontario 3,000, for a total estimated supply from all areas of 15,340.

4. A planned recruitment program is functioning which includes an increased number of employment officers presently engaged in recruitment in supply areas of Atlantic provinces, Quebec and Ontario rural areas.

A number of employment officers from Atlantic, Quebec and Ontario were in demand areas of Ontario last week, meeting growers and surveying manpower requirements. Arrangements have also been made for day haul service from urban centres within commuting distances. The payment of transportation both ways has been arranged under the Ontario Federal agricultural manpower agreement.

The admission of seasonal Jamaican workers was approved as a further means of averting a manpower emergency situation.

MANPOWER MOBILITY PROGRAM, P.E.I.

Question No. 1,705—**Mr. MacDonald (Prince):**

1. Under the manpower mobility program, how many persons have been assisted in their transportation expenses from Prince Edward Island for employment?

2. Under the manpower mobility program, how many persons have been assisted in their transportation expenses from Prince county for employment?

3. Under the manpower mobility program, how many persons have been assisted in their transportation expenses to Prince Edward Island for employment?

4. Under the manpower mobility program, how many persons have been assisted in their transportation expenses to Prince county for employment?

5. Under the manpower mobility program, what has been the expense of this program in transporting people from Prince Edward Island?

6. Under the manpower mobility program, what has been the expense of this program in transporting people to Prince Edward Island?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. From 28 December 1965, the effective date of the manpower mobility program to 10 June 1966, loans have been authorized for seven

workers and grants for six workers to move from Prince Edward Island to other places in Canada for employment.

2. From 28 December 1965, the effective date of the manpower mobility program to 10 June 1966, loans have been authorized for six workers and grants for five workers to move from Prince county, Prince Edward Island, to other places in Canada for employment.

3. Statistical data required to answer this question is not available.

4. Statistical data required to answer this question is not available.

5. From 28 December 1965, the effective date of the manpower mobility program to 31 May 1966 the amount paid to move workers from Prince Edward Island to other places in Canada was $1,468 for those receiving loans and $1,210 for those receiving grants.

6. Statistical data required to answer this question is not available.

EXPENDITURES UNDER WATER CONSERVATION ACT

Question No. 1,706—**Mr. Davis:**

What is the total amount of money expended annually and by province under the Canada Water Conservation Assistance Act since its adoption in 1953?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Federal contributions under the Canada Water Conservation Assistance Act from its passage in 1953 to April 30, 1966, were all in the province of Ontario and were for the following projects:

Fiscal Year	Upper Thames	Metro Toronto	Ausable river	Total
1961-62	$ 34,931	$ 121,080	$ —	$ 156,011
1962-63	269,443	883,117	—	1,152,560
1963-64	367,150	1,118,000	23,834	1,508,984
1964-65	500,000	896,521	67,980	1,464,501
1965-66	1,204,191	736,624	12,843	1,953,658
1966-67	56,816	218,389	—	275,205
(April 1966 only)	—	—	—	—
Total	$2,432,531	$3,973,731	$104,657	$6,510,919

CAMP BORDEN

Question No. 1,709—**Mr. Fairweather:**

1. Is it planned that camp Borden shall be a combined army training camp (armour, artillery, engineers and infantry) with only two messes being retained?

2. If this plan is carried out, what plans are made for (a) Royal Canadian Armoured Corps museum (b) Royal Canadian Armoured memorial suite in the existing Royal Canadian Armoured Corps mess which was furnished by various regiments (c) the disposition of the Washington park program, and (d) how will the Royal Canadian Armoured Corps school be integrated into the plan?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. Canadian forces base Borden is part of training command and any proposals for modification of the command organization will be made by the commander training command. The feasibility of amalgamating certain training establishments on the base is being examined but no plan has been submitted yet. In the interests of efficiency, four messes in Canadian forces base Borden were closed recently. One was the headquarters officers' mess. The others were two sergeants' messes and one men's mess hall. There are no immediate plans for closing any of the remaining messes.

2. Not applicable.

ATTENDANCE OF PUBLIC SERVANTS AT PROFESSIONAL MEETINGS

Question No. 1,718—**Mr. McCleave:**

1. What is the policy of government departments in regard to the attendance of professional men and women, in federal employ, at the meetings and conventions of associations pertaining to their professions?

2. Are the expenses of transportation, registration, room accommodation and meals paid from the public treasury for such attendance?

Hon. E. J. Benson (Minister of National Revenue): 1. Government departments require a sufficient number of professional public servants to attend certain of the more important meetings and conventions of associations pertaining to their profession to ensure adequate official representation and participation, and to exchange information necessary to the conduct of government projects and programs.

2. Yes.

MINK PRODUCTION

Question No. 1,724—**Mr. Tucker:**

1. How many mink were raised in Canada in 1965 and what was the total value to mink farmers?

2. How many were raised in each province?

Hon. Robert Winters (Minister of Trade and Commerce): 1 and 2. Information is not available for 1965, but data for 1964 are as follows:

Mink Production on Fur Farms, 1964

	No. of Mink on Farms at Dec. 31, 1964	Fur Farm Mink Pelt Production	
		Number	Value $
Nfld.	11,003	30,244	444,959
P.E.I.	1,416	3,222	46,625
N.S.	38,470	78,770	1,154,327
N.B.	3,195	5,322	79,019
Que.	46,919	92,769	1,346,480
Ont.	202,610	407,085	5,991,945
Man.	89,291	205,513	3,111,309
Sask.	36,707	91,742	1,385,741
Alta.	67,331	186,181	2,789,274
B.C.	144,876	317,520	4,815,645
Canada	641,818	1,418,368	21,165,324

GRAIN SALE PRICES

Question No. 1,726—**Mr. Godin:**

What was the average sale price, per 100 pounds, for the following grains sold by the Canadian wheat board during the months of July 1963, October 1963, February 1964, July 1964, October 1964, February 1965, July 1965, October 1965, and February 1966, in the case of (a) oats No. 1 (b) oats No. 2 (c) oats No. 3 (d) barley No. 1 (e) barley No. 2 (f) wheat No. 4 (g) wheat No. 5?

Hon. Mitchell Sharp (Minister of Finance):

MONTHLY AVERAGE BOARD ASKING PRICES FOR DESIGNATED GRADES OF WHEAT, OATS AND BARLEY

In Store Fort William/Port Arthur

	Oats			Barley		Wheat	
	1 Feed	2 Feed	3 Feed	1 Feed	2 Feed	4 Nor.	No. 5
	(cents per 100 pounds)						
July, 1963	223⅛	214⅜	205½	232¼	227⅛	306⅞	297¼
October, 1963	222¾	214	205⅛	234⅞	232¾	312⅞	302⅞
February, 1964	215⅛	206¼	197⅜	230¾	228⅝	325	315
July, 1964	223½	214¾	205⅞	238	236	324¾	313⅛
October, 1964	232	223⅛	214⅜	252⅜	249¼	323⅜	312½
February, 1965	232⅜	223½	214¾	259⅞	256¾	289⅝	287¾
July, 1965	236⅜	227⅝	218¾	257¾	255¼	297½	289⅜
October, 1965	242¼	233½	224⅝	266⅛	264⅛	296⅝	288⅜
February, 1966	257¾	248⅞	240⅛	278⅞	276⅞	307¼	299

INCOMES OF CANADIANS OVER 70 YEARS OLD

Question No. 1,743—**Mr. Scott (Danforth):**

In the latest year for which figures are available, how many Canadians aged 70 years or more earned (a) under $1,000 (b) between $1,001 and $2,000 (c) between $2,001 and $3,000 (d) between $3,001 and $4,000 (e) between $4,001 and $5,000 (f) between $5,001 and $6,000 (g) between $6,001 and $8,000 (h) between $8,001 and $10,000 (i) over $10,000?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister Trade and Commerce): The latest information on the income distribution of persons aged 70 years and over originated in the 1961 Census and refers to the period 12 months prior to June 1, 1961, and is restricted to the non-farm population.

Distribution of non-farm individuals aged 70 years or more by income groups,* Canada, 1961

Income group*	Number	Per cent
No income	7,919	1.1
Under $1,000	425,446	58.3
$ 1,000-$1,999	158,501	21.7
2,000- 2,999	60,998	8.4
3,000- 3,999	30,825	4.2
4,000- 4,999	15,707	2.2
5,000- 5,999	9,076	1.2
6,000- 6,999	13,029	1.8
10,000 and over	8,207	1.1
Total	729,708	100.0

*Classified by size of total income (includes income from all sources).

23033—444½

Questions

Information about the distribution of older persons by size of their earnings (i.e. wages and salaries and net income from self-employment) is limited to those non-farm individuals who were labour force participants at the time of the 1961 Census and excludes approximately 20,000-25,000 individuals aged 70 and over, who had received some earned income during the past twelve months but had left the labour force by June 1, 1961. No statistics are available on the distribution of these individuals by the size of their earned income.

Distribution of non-farm individuals aged 70 years and over in the current labour force by earned income groups,* Canada, 1961

Earned income* group	Number	Per cent
No income	5,296	8.6
Under $1,000	14,695	23.7
$ 1,000-$1,999	12,370	20.0
2,000- 2,999	10,665	17.2
3,000- 3,999	7,539	12.2
4,000- 4,999	3,649	5.9
5,000- 5,999	2,087	3.4
6,000- 9,999	3,298	5.3
10,000 and over	2,316	3.7
Total	61,915	100.0

*Wages and salaries and net income from self-employment.

C.M.H.C. SINGLE FAMILY DWELLING LOANS, TORONTO

Question No. 1,744—**Mr. Scott (Danforth):**

1. For each of the months of January, February, March, April and May, how many housing loans were issued by the Toronto area office of Central Mortgage and Housing Corporation for single family dwellings?

2. How many of such loans were direct loans from Central Mortgage and Housing Corporation as distinguished from loans by conventional National Housing Act lenders?

Hon. J. R. Nicholson (Minister of Labour): 1. and 2.

GROSS NHA LOANS APPROVED FOR SINGLE-DETACHED DWELLINGS IN TORONTO FIELD OFFICE AREA

Period	Approved Lenders			CMHC			Total NHA		
	Number of Loans	Number of Units	$ 000	Number of Loans	Number of Units	$ 000	Number of Loans	Number of Units	$ 000
1966									
January	—	—	—	143	143	2,491	143	143	2,491
February	7	7	123	1	1	16	8	8	139
March	111	111	1,975	9	9	129	120	120	2,104
April	114	114	2,041	11	11	168	125	125	2,209
May [1]	151	151	2,622	6	6	96	157	157	2,718
Total	383	383	6,761	170	170	2,900	553	553	9,661

[1] Preliminary

CONSIDERATION OF IMMIGRANT EDUCATION

Question No. 1,749—**Mr. Stanbury:**

Will the government ensure that joint initiatives in immigrant education are included on the agenda of next autumn's federal-provincial conference on manpower?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): There is no federal-provincial conference on manpower planned for next autumn.

DRIVING OF LOGS ON STELLAKO RIVER, B.C.

Question No. 1,754—**Mr. Howard:**

1. Upon what date did the government of British Columbia begin to drive logs on the Stellako river?

[Mr. Cantin.]

2. Upon what date did (a) the Department of Fisheries (b) the Minister of Fisheries, hear that such work had actually been undertaken?

3. Did (a) the Department of Fisheries and/or (b) the Minister of Fisheries, have any knowledge that this activity would take place before it did and, if so, upon what date were the department and the minister aware of the intended activity?

Hon. H. J. Robichaud (Minister of Fisheries): 1. June 14, 1966.

2. June 14, 1966.

3. June 10, 1966.

HUNTING ACCIDENTS

Question No. 1,773—**Mr. Allmand:**

1. How many persons were killed in Canada during the last five years as a result of hunting accidents?

2. How many of these deaths were subject to a coroner's inquest?
3. In how many was there a coroner's verdict indicating criminal responsibility?
4. In how many were criminal proceedings taken?
5. How many resulted in criminal convictions?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Statistics are not available on hunting accidents as they are not separately classified. However, the following information on deaths due to accidents caused by firearms may be helpful.

Deaths due to accidents caused by firearms, Canada, 1960-1964

Year	Number	Attended by Coroner*
1960	216	145
1961	176	119
1962	189	137
1963	150	109
1964	180	135

* Data on inquests are not available.

2, 3, 4 and 5. Information requested is not available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CENSUS ENUMERATORS, CUMBERLAND COUNTY, N.S.

Question No. 1,635—**Mr. Coates:**

What are the names of the census enumerators appointed by the three census commissioners in Cumberland county, Nova Scotia, and what are their addresses and their occupations?

Return tabled.

IMMIGRATION, 1955-65

Question No. 1,663—**Mr. Irvine:**

1. What was the total number of people immigrating to Canada in each of the years 1955 to 1965 inclusive?
2. From what countries did they emigrate and what were the total numbers from each country in each year?

Return tabled.

Mr. Forrestall: I rise on a point of order, Mr. Speaker. I am just wondering if, in view of the hope that the house might adjourn shortly, I might receive answers to one or two of the questions I have had on the order paper for some time. I wonder if they might be dealt with or if it is the intention of the government to allow them to stand. They are questions Nos. 1,162 and 1,534.

Mr. Brand: On a similar point of order, Mr. Speaker, may I say that I have had question No. 1,500 on the order paper since May 16 and question No. 1,588 since May 31, as well as question No. 1,613 since June 3. I was wondering, in view of what has been said, if these questions may be answered.

Mr. Noble: I have a question which has been on the order paper for three months, and I think it should be answered.

Mr. McIlraith: What number?

Mr. Noble: It is No. 1,156.

[*Translation*]

Mr. Caouette: Mr. Speaker, in turn, I rise on a point of order.

This concerns question No. 910, which has been on the order paper since March 1, that is exactly four months. Now, there is no doubt that, in the last four months, all the civil servants concerned have received their pay cheques, and it does not take four months to distribute pay cheques. Then, how can it be that, in four months, the government is not able to provide an answer to this question concerning the extension of bilingualism in the civil service?

[*English*]

Mr. McIlraith: I think the attention of hon. members should be drawn to question No. 910. An examination, without taking the time to develop the subject, will indicate to the house that in its present form the question will probably require a great many more months to answer. It is one of those questions about which I have grave doubts as to it being in order. Some parts are in order, but in its present form it is obviously going to take many months, perhaps some years to get the information.

Mr. Starr: On the point of order—

Mr. Speaker: Order, please. The hon. member for Lapointe.

[*Translation*]

Mr. Grégoire: Mr. Speaker, on a point of order.

I think the Minister of Public Works is not quite honest in his answer, because when a senior official joins the civil service—

[*English*]

Mr. Starr: I quite agree with the house leader that when you have questions of that nature they may be difficult to answer, but most of the questions that have not been answered could be answered very quickly. For example, my own question of June 14, two weeks ago, No. 1,692, surely could be

answered in a matter of minutes. I hope the government will try to answer these questions and not use the difficulty of one question as an excuse for not answering any of them.

Mr. MacInnis (Cape Breton South): I might say that this is not a question of the kind to which the Minister of Public Works has been referring, but I ask the government if they are aware that question No. 1,284 has been on the order paper since April 6 and has not been answered. The failure to answer this question is just a matter of ignoring information sought by the constituents of the Minister of National Health and Welfare.

[*Translation*]

Mr. Ricard: Mr. Speaker, I wish to call the minister's attention to the fact that starred question No. 1,283 has been on the order paper since April 6, while questions Nos. 1,354 and 1,385 have appeared there since April 26 and 28 respectively.

[*English*]

Mr. McCleave: Mr. Speaker, I should like to—

Mr. McIlraith: Dealing with question No. 1,283—

Mr. Speaker: Order, please. Is the minister replying to the specific point of order raised by the hon. member for St. Hyacinthe-Bagot?

Mr. McIlraith: Yes, Mr. Speaker. With specific reference to question No. 1,283, it will be seen that by the form of the question the hon. member has made it necessary for each department and agency of government to check each employee in the whole of the government service, involving some hundreds of thousands of persons. If he had taken the time to work out the form of the question with a little more care I am sure the information which he desires, and to which he is entitled, could have been obtained in a way that would have met his request for a more speedy answer. My remarks are limited to the point raised by the hon. member for St. Hyacinthe-Bagot in connection with question No. 1,283.

Mr. Starr: I am speaking to the same point of order, Mr. Speaker. In view of this technicality which the house leader has brought to our attention, instead of allowing the question to remain on the order paper since April 6 surely the government could have brought it to the attention of the hon. member and had the question reworded. By allowing it to stand for so long the government gives the impression they are not prepared to answer questions.

Mr. Ricard: On the same point of order, I want to inform the house that I have reworded my question, but it does not seem to have brought me any more success.

[*Translation*]

Mr. Caouette: Mr. Speaker, on the same point of order, I should like to call the minister's attention to the following fact: whether they are American or Canadian officials, every civil servant is required to complete an application form under which—

[*English*]

Mr. Speaker: Order, please. The hon. member has raised a point of order, but I do not believe we should embark on a debate on each one of these questions.

Mr. McCleave: As a change of pace, Mr. Speaker, may I raise a point of order and ask that question No. 1,548, which is a starred question, be withdrawn?

Mr. Starr: You cannot get an answer, so you might as well withdraw it.

Mr. Flemming: I wish to remind the appropriate minister that I have had question No. 1,424 on the order paper since May 5, and I would certainly appreciate an answer.

Mr. MacInnis (Cape Breton South): Coming back to my question which has been standing since April 6, No. 1,284, I should like to ask The Minister of Public Works if he will do for me what he has done for several members; that is, since an answer cannot be provided will he give me an alibi?

[*Translation*]

MOTION FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Would your Honour call notice of motion No. 145?

I ask that the others be allowed to stand.

[*English*]

CORRESPONDENCE TO, FROM AND RESPECTING A. G. HEAKES

Motion No. 145—**Mr. Langlois (Mégantic):**

That an order of the house do issue for a copy of (a) letter of May 19, 1963, from A. G. Heakes to the Hon. Lionel Chevrier, Minister of Justice together with its covering letter of May 21, 1963 (b) letter from Miss Marguerite Ritchie, executive assistant to Hon. Lionel Chevrier of July 16, 1963, acknowledging the said letter from A. G. Heakes

of May 19, 1963 and its covering letter of May 21, 1963, to Mr. Chevrier (c) all other letters listed in Miss Ritchie's letter of July 16, 1963, to Mr. Heakes (d) complete dossier of court records relating to Mr. Heakes' proposal No. 37-1955 SCM as held in Department of Justice and in particular (i) original proposal of February 7, 1955 (ii) amended proposal of May 31, 1955 (iii) report of the debtor's proposal of September 14, 1955 with its attached record of creditors' meetings and minutes of said meetings (iv) judgment of November 22, 1955 ratifying said proposal (v) petition of Trustee Dansereau of June 3, 1958, to cancel proposal (vi) judgment of June 9, 1958, cancelling proposal; also attached envelope addressed by registered mail and returned as evidence that Mr. Heakes had moved from his place of business (vii) trustee's motion for discharge of July 2, 1959 (viii) trustee's petition to cancel unreinstated proposal of August 8, 1963, together with its attached exhibits of minutes of creditors' meetings held on March 8, 1955 and April 15, 1955 (ix) judgment of September 11, 1963, cancelling the unreinstated proposal for a second time (x) judgment of September 12, 1963, discharging trustee (xi) notice of discharge hearing on September 12, 1963, if any (e) correspondence covering arrangements for postponement of discharge hearing as referred to by the Hon. Davie Fulton in Department of Justice estimates of June 9, 1961 (f) reports by Registrar Gerard Deniger to Department of Justice re cancellation of proposal including all correspondence with and/or reports on other contacts with Registrar Deniger (g) all correspondence and/or other communications with Trustee J. Alexandre Dansereau and/or reports on same (h) report on investigations into cancellation as recorded in speech by the Hon. Davie Fulton in Department of Justice estimates of June 9, 1961 (i) telegram of October 15, 1959, from Mr. Heakes to Mr. Favreau requesting production of papers relating to proposal (j) letter of February 4, 1965, to the Hon. Guy Favreau, Minister of Justice, together with its enclosure of letter of February 2, 1965, to the Rt. Hon. Lester B. Pearson (k) all letters to Mr. A. G. Heakes from officers and Ministers of Department of Justice and in particular (i) letter of February 5, 1960 from Assistant Deputy Minister Favreau (wrongly dated February 5, 1940) to Mr. Heakes (ii) letter of July 16, 1959, from Supt. Larose to Mr. Heakes (iii) letter of November 9, 1959, from Miss K. Kierans, Secretary to the Hon. Davie Fulton to Mr. Heakes (iv) letter of the Hon. Davie Fulton, referred to in said letter of Miss Kierans, to the Hon. George Hees (v) all other letters from officers of the Department of Justice and Ministers of Justice to Mr. Heakes (l) letters of July 14, 1959, and July 15, 1959 to Supt. Larose (m) letters and other communications from Mr. Heakes to officers of the Department of Justice and the Minister of Justice listed in the said letter of Miss Kierans of November 9, 1959 (n) letter of August 20, 1963, from A. G. Heakes to Justice Minister (o) copy sent to Mr. Chevrier of telegram of August 25, 1963, from A. G. Heakes to Associate Chief Justice, George Challies (p) copy of brief submitted by A. G. Heakes dated September 1963 to House of Commons standing committee on banking and finance, re proposed amendment, Bill C-5, to Bankruptcy Act (q) all letters and other communications from A. G. Heakes to Prime Minister Pearson in 1963, 1964, and 1965 and in particular (i) letters addressed to him in January 1964 (ii) letter of December 20, 1965 (iii) letter of December 22, 1965 (iv) telegram of December 25, 1965 (v) letter of January 1, 1966 (vi) letter of January 17, 1966, with its enclosure of a letter of January 11, 1966, to Pierre Elliot Trudeau, M.P. (vii) letter of January 18, 1965 (vii) letter of January 24, 1966, with its enclosure (ix) letter of February 6, 1966 (x) letter of February 8, 1966, with its enclosure (xi) letter of February 9, 1966 (xii) letter of February 12, 1966 (xiii) letter of February 14, 1966.

Mr. Cardin: I wonder if the hon. member would allow this motion to stand.

Motion stands.

[*Translation*]

[*Later:*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, notice of motion No. 118 was accepted on April 27 and I have not yet received an official answer.

I ask the hon. minister to kindly speed things up, so that I may get a reply as soon as possible.

[*English*]

OLD AGE SECURITY

CONSIDERATION OF INCREASE IN AMOUNT OF PENSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as we believe we are approaching adjournment a few days hence, I would ask the Prime Minister to advise the house whether, in addition to the Canada Assistance Plan, the government will present to the house legislation to increase pensions from $75 to $100, and will do this before the summer recess, in view of the continued rising cost of living and the grave difficulties in which the old age pensioners find themselves.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, not before the summer recess.

EXTERNAL AFFAIRS

REPORTED BOMBING BY U.S. OF NORTH VIET NAM CITIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the news which has just reached Ottawa of the bombing by United States forces of Hanoi and Haiphong, I want to ask the Prime Minister whether any action will be taken by his government. This bombing of the capital city of North Viet Nam will undoubtedly have the effect of escalating the war to the point where the

peace of the world will be endangered. I would ask the Prime Minister whether he will consider making a protest to Washington, as any escalation of the war will nullify all of the efforts of the Secretary of State for External Affairs.

Mr. Speaker: Order. I think the hon. member should put his question now.

Mr. Douglas: Mr. Speaker, I was simply asking the Prime Minister, in view of the efforts put forth by the Secretary of State for External Affairs and Mr. Chester Ronning being nullified by an escalation of the war, whether the Prime Minister is planning to make an appeal to Washington.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, our efforts to bring about peace in Viet Nam through negotiation—in so far as we are able to pursue those efforts—will not be nullified by any action which has been taken.

Mr. Douglas: A supplementary question. In view of the fact that an escalation of the war does endanger the peace of the world, is the Prime Minister planning to make any representations to the government of the United States?

Mr. Pearson: Mr. Speaker, if I may deal with this point which has been raised, my understanding, which is based on the preliminary reports I have received, is that the United States government does not regard the bombing of oil storage installations in the vicinity of Hanoi and Haiphong as any indication of a change in their policy of confining the bombing to military targets directly associated with North Viet Nam's involvement in the south; and that there is no intention to direct bombing to the populated areas.

Nevertheless, this does not alter the government's position concerning this matter of bombing, which is well known to the house. We have always held—and I think this was made quite clear by me in a statement I made in April last year—that a let-up in the pattern of air strikes against the north seemed likely to be one of the major elements in arranging or approaching a peaceful settlement. More recently, when the pause in bombing of North Viet Nam came to an end in late January, we made it clear that it was a matter of regret to us that it was found necessary to decide upon a resumption of the bombing.

I am sure that we would all be glad to see the bombing stopped, and we would all be glad to see the intervention of northern troops into South Viet Nam stopped. We would also be glad to see unconditional negotiations for peace begin.

Mr. Douglas: A further supplementary question, Mr. Speaker. May I ask the Prime Minister whether his attention has been drawn to the fact that a spokesman for the defence department of the United States has stated that this bombing of Haiphong and Hanoi does constitute a further escalation of the war.

Mr. Pearson: No, Mr. Speaker, my attention has not been drawn to any such statement. I will be glad to look into it.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if the statement of the hon. member for Burnaby-Coquitlam is accurate that the cities of Hanoi and Haiphong have been bombed. Have the civilians in those cities been bombed?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister has just indicated, his understanding—and my understanding—is that the targets did not involve any direct intention to attack the population.

[*Translation*]

[*Later:*]

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker. In view of the confusion in Canada and outside, is the Prime Minister in a position to tell us whether the government of Canada is aware that Chinese troops or Russian troops are taking part in this war in North Viet Nam against South Viet Nam thus becoming aggressors against other aggressors called Americans. Are the troops actually there, physically?

[*English*]

Mr. Pearson: Mr. Speaker, we have no information that Russian or Chinese troops are taking part in this war.

NATO—VISIT TO WASHINGTON BY EXTERNAL AFFAIRS OFFICIAL

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the

Secretary of State for External Affairs. Has the minister any comment to make on the visit to Washington of his assistant under secretary, and the discussions held there on the future of NATO?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Basil Robinson, one of the assistant under secretaries of state, did go to Washington after the Brussels meeting of NATO ministers, for the purpose of continuing our discussion with the United States on NATO questions.

Mr. Johnston: A supplementary question. Is Canada being urged to strengthen its NATO forces in Europe in order to free United States forces for activity in Viet Nam?

Mr. Martin (Essex East): No, Mr. Speaker.

PRIVILEGE

MR. HOWARD—ALLEDGED MISLEADING STATEMENT BY LABOUR MINISTER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question of privilege with regard to which I have been trying to get the floor. My question of privilege relates to the bill introduced earlier today by the Minister of Labour. I submit that with the introduction of this bill, once we have discovered what its contents are, the minister is guilty of having misled the house on the 14th day of June—and I say deliberately misled the house—by the omission of certain pertinent information in his statement on that day.

Mr. Speaker: Order, please. The hon. member for Skeena knows that he cannot accuse another member of deliberately misleading the house; that is against the rules.

Mr. Howard: Then, Mr. Speaker, if the word "deliberately" is offensive and contrary to the rules, I will confine my question of privilege to the minister having misled the house on June 14.

Mr. Speaker: Order, please. The hon. member knows the rules in this regard. There is a distinction, of course, between misleading the house and deliberately misleading the house. A minister or a member can unintentionally mislead the house, and I assume this is what the hon. member has in mind.

Mr. Howard: Yes. On June 14 the Minister of Labour, in making his announcement with respect to the settlement of the longshoremen's strike, said that a commission would be established under and pursuant to the Industrial Relations and Disputes Investigation Act. He said that clearly and without any equivocation.

Mr. Speaker: I understand the hon. member's point, but I suggest to him that there is no question of privilege involved here. There may be a question for debate when the matter comes up for debate in the house, but I respectfully suggest to him that there is no question of privilege at this time.

Mr. Howard: Mr. Speaker, with all due respect, Your Honour has not heard the key point as to whether or not there is a question of privilege here. On June 14 the minister told us one thing, and today he has run completely contrary to his former statement and has introduced a bill which provides within it, fully, the principle of compulsory arbitration. This is contrary to what he told the house on June 14, and I contend—if I have to revert to the expression—that he deliberately misled the house on June 14.

Mr. Speaker: The hon. member cannot do that. He cannot revert to what he said previously. He knows that there is no question of privilege at all involved. There may be a subject for debate, as I said. Whenever the matter comes up for debate in the house he can at that time, if he wishes, argue this point; but I would seek his co-operation in agreeing with the Chair that at this time he cannot raise the matter as a question of privilege.

[*Later:*]

Mr. David Lewis (York South): I wish to address a question to the Minister of Labour arising out of the bill he introduced earlier, and ask him to tell the house whether he informed the union or the shipping federation at the time the settlement was reached of his intention to introduce compulsory arbitration of the issue of productivity, following the appointment of a commission of inquiry.

Hon. J. R. Nicholson (Minister of Labour): I most certainly did, Mr. Speaker.

Mr. Lewis: I wish to make sure of this. Did the minister inform both the union and the federation, or just one of those organizations?

Mr. Nicholson: Yes, both the unions and the federation were informed of the government's intention.

Inquiries of the Ministry

AGRICULTURE

MILK—REPORTED FAILURE TO PAY AVERAGE PRICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): My question is directed to the Minister of Agriculture. I want to ask the minister whether he intends to fulfil his promise of $4 per hundredweight for milk to the producers of manufactured milk and, if so, when?

Hon. J. J. Greene (Minister of Agriculture): If the hon. member will read the statement which was made in the house and the release which was published at the time the policy was declared, whereby we directed an amount in the neighbourhood of $90 millions toward manufacturing milk and raised the price for the first time to a national weighted average of $4—

Some hon. Members: Hear, hear.

Mr. Greene: —I think he will see that we have fulfilled every word of that statement. And in the Ottawa *Journal* today he will see that even this good Liberal paper commends our policy.

Mr. Winkler: I recognize the verbal ability of the Minister of Agriculture, which is almost equal to that of the Secretary of State for External Affairs—though not quite. I should like to put a further question to him. Does he realize that the producers of manufacturing milk are not in fact receiving the return he mentioned, and that it is his responsibility?

Mr. Speaker: Order. The question is now an argumentative one.

Mr. J. H. Horner (Acadia): My question is supplementary to those asked earlier about milk prices. Does the Minister of Agriculture accept responsibility for ensuring that farmers will receive the $4 price announced for milk?

Mr. Speaker: The question is out of order. The hon. member knows that on the orders of the day he cannot ask a question—

Mr. Horner (Acadia): Mr. Speaker, I just want the minister to say—

Mr. Speaker: Order. Perhaps the hon. member would allow me to finish. I am suggesting it is not in order to ask the minister at this time whether or not he accepts responsibility. It is not a proper question.

[Mr. Nicholson.]

Mr. Horner (Acadia): On a point of order. The minister makes a statement that farmers will receive $4 per hundredweight for milk. Surely he can say whether or not he feels it is his responsibility to ensure that farmers receive it. Let him say yes, or no. That is all I want to know.

Mr. Speaker: I believe the question is argumentative.

Mr. Winkler: On a question of privilege. I, too, would like clarification of this matter. I hold in my hand a copy of the Canadian Farm Economics Report dated April 1966 wherein, on page 11, is set out the jurisdictional division in the dairy industry, and the areas of responsibility. It shows clearly that responsibility with regard to subsidies and to manufacturing milk is that of the federal government. The Minister of Agriculture cannot therefore rid himself of this responsibility in any way.

An hon. Member: Let him answer.

Mr. Speaker: The hon. member is now making an argument; he is not asking a question.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Translation*]

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

In view of the fact that most farmers are not getting $4 per hundredweight of milk, could the minister tell us whether the farmers should get in touch with him in order to receive their $4 per hundredweight of milk?

[*English*]

Mr. Greene: I can appreciate the concern of hon. members opposite to get their political friends off the hook.

Some hon. Members: Hear, hear.

Mr. Greene: As stated earlier, our policy is clear and unequivocal. As a result of that policy, in three years we have raised the national weighted average of manufacturing milk from $2.80 to $4.00.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Speaker: Does the hon. member for Lapointe wish to ask a supplementary question?

Mr. Grégoire: As a matter of fact, Mr. Speaker, it is the same question. Since the

Minister of Agriculture has answered anything but my question, could he answer it this time? Can the farmers get in touch with him if they do not get their $4 per hundredweight of milk?

[*English*]

Mr. Speaker: The hon. member for Grey-Bruce on a question of privilege.

Mr. Winkler: I rise for the second time on a question of privilege because I did not receive a reasonable answer to my first question.

Some hon. Members: Oh, oh.

Mr. Winkler: That is fine. Go ahead and holler. The farmers will know this, too.

An hon. Member: They know it.

Mr. Ricard: They don't care about the farmers.

Mr. Winkler: I wish to ask the minister once again: Does he wish to accept the responsibility? He does not have to worry about my political friends; he should accept his own responsibility.

Mr. Speaker: That is not a question of privilege. It is still an argument.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put a supplementary question to the Minister of Agriculture. In view of the consideration he is giving to the price of milk, and in view of the announcement that the price of milk is to go up in the Ottawa and Toronto areas by 2 cents a quart, will he investigate this increase to see whether it is necessary?

Mr. Greene: The hon. member knows that this is pertinent to fluid milk, which is exclusively a provincial matter. If consumer prices are going up in those areas, the province of Ontario has to assume its responsiblity.

Some hon. Members: Hear, hear.

Hon. Michael Starr (Ontario): When the minister announced a price of $4 per hundredweight for manufactured milk, was it his intention that the farmers should receive those four dollars? Was that his intention, when he made this announcement as a matter of government policy?

Mr. Greene: As I said earlier, the policy speaks very clearly for itself. It has been lived up to, to the letter. The province of Ontario has the right to fix the price by reason of the measures taken. We have made it possible for them to fix the price at $3.25, and they can take account of any other factors they wish with respect to the cost of trucking—this does not fall within the constitutional area of the federal government, in connection with price. I hope hon. members opposite are not urging this government to step into a provincial area of jurisdiction.

Mr. Starr: I shall repeat my question and ask the minister to answer it this time, not beat around the bush.

Mr. Speaker: Order. The hon. member has asked a question. He may not be satisfied with the answer the minister has given him—and I am not clear myself whether the minister did answer the question—but as the hon. member knows, that is as far as he can go, even if he is dissatisfied with the reply given to him.

Mr. H. W. Danforth (Kent (Ont.)): I should like to direct a further question to the Minister of Agriculture. I was delighted to hear him say that we in the opposition were trying to get our political friends the farmers off the hook.

Some hon. Members: Oh, oh.

Mr. Danforth: May I ask the Minister of Agriculture whether he has received representations from Ontario, Quebec and other provinces to the effect that the dairy producers of Canada are not receiving the minimum of $4 per hundredweight for milk?

Mr. Greene: Well, Mr. Speaker, I am pleased to see the farmers are such friends of the hon. member's political friends that they are taking their tractors out on the highways to show their friendship.

Some hon. Members: Oh, oh.

Mr. Greene: I have received representations that some of the farmers, because of the failure either of provincial governments or of producers associations to fix the price at the factory, or because some of the plants have increased the cost of trucking to the farmers themselves, are not receiving $4 per hundredweight.

Mr. Speaker: The hon. member for Vancouver-Kingsway.

[*Translation*]

Mr. Caouette: Mr. Speaker, on a question of privilege.

The minister is trying to be smart by asking us to believe that there are federal

and provincial cows, but we feel that we are entitled to clearer answers from him. We say that the farmers are not getting at present $4 per hundredweight of milk. Is the minister in a position to guarantee the farmers $4 per hundredweight of milk. That is all we want to hear, not tall tales.

Mr. Speaker: The question of privilege raised by the hon. member is out of order.

[*English*]

The hon. member for Vancouver-Kingsway.

Mr. Starr: I have a supplementary question.

Mr. Speaker: I believe the hon. member for Vancouver-Kingsway also has a supplementary question.

Mrs. MacInnis (Vancouver-Kingsway): No, it is not supplementary.

Mr. Starr: As a supplementary—

Mr. Speaker: Order, please. May I remind hon. members that we have a very short question period today. I realize this is an extremely important matter, but still I would invite hon. members to consider that other hon. members may have other questions that might be important also. The hon. member for Ontario.

Mr. Starr: I again ask the Minister of Agriculture if he would shed his cloak of arrogance and try to explain the federal policy with respect to manufactured milk, and why the farmers are not receiving the $4, as he promised them?

Mr. Speaker: Order, please. It seems to me this is a repetition of the question that was asked previously. As I indicated to the hon. member for Ontario a moment ago, while possibly he is not satisfied with the reply given to him, I do not think he is entitled to repeat the question at this time.

CANADIAN BROADCASTING CORPORATION

REPORTED DEFIANCE OF BOARD BY PRESIDENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, we shall leave the subject of milk for a moment and go to another field. I would like to ask the Secretary of State whether the views expressed on national television by one of Canada's fiction writers are correct, that the C.B.C. board of directors at their last meeting instructed Mr. Ouimet to get rid of Mr. Walker, who is vice president and general manager of the English network, and that Mr. Ouimet has defied the order of the board of directors.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I think I know to what my right hon. friend refers, and I must agree with the adjective he used with respect to the particular writer, but I do not happen to know in this particular case whether or not it is another essay in fiction.

Mr. Diefenbaker: Well, Mr. Speaker, will the minister find out whether in fact Mr. Ouimet has defied the board of directors, and report to the house before the recess?

Miss LaMarsh: I would think, Mr. Speaker, that if the president of the C.B.C. had defied an order of the board, the board would at once communicate that to me; but I shall be pleased to put this question to them as requested.

Mr. Arnold Peters (Timiskaming): On a supplementary question, while the minister is making inquiries in this regard would she also make inquiries as to whether a similar announcement, giving the same information as carried in a number of Toronto newspapers yesterday, was on the seven o'clock news broadcast, and what influence was used to see that it was not mentioned in any other newscast last night.

Miss LaMarsh: I can only imagine that they probably followed the truth.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the demand made yesterday in Toronto by 32 national organizations, representing nearly half a million Canadian women, will the government appoint a royal commission to study the status of women?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is nothing I would sooner look into.

Mr. Fairweather: Federal or provincial?

SHIPPING

REPRESENTATIONS BY S.I.U. RESPECTING SAFETY AT SEA

On the orders of the day:

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, I wish to direct a question to the Minister of

Transport. Can the minister say what his department is doing to meet the requirements of safety in the manning of ships in the great lakes and St. Lawrence river systems?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have received what are represented to be urgent representations on this subject from the president of the S.I.U. I am writing a detailed reply to his letter today, and I shall be pleased to table it tomorrow.

Mr. Frank Howard (Skeena): As a supplementary question, may I ask the minister whether it would not be more worth while to take some definitive action and promulgate some regulations?

Mr. Pickersgill: Mr. Speaker, a great deal of action has been taken, is being taken, and is going to continue to be taken—

Mr. Howard: Nuts.

Mr. Pickersgill: Well, if we deal with facts we will get a lot further than if we deal with allegations.

Mr. Howard: You are not telling the truth, Jack.

Some hon. Members: Oh, oh.

Some hon. Members: Withdraw.

Mr. Speaker: Order. There is a suggestion by hon. members that a remark I did not hear should be withdrawn.

Mr. Howard: Mr. Speaker, the remarks I used in response to the minister's statement were, one, that it was nuts and, two, that he was not telling the truth.

Mr. Speaker: Order, please. This is the second time today that the hon. member for Skeena has come very close to infringing the rules of the house. I believe the rules are made for all members of the house, and no one is exempt from them.

Some hon. Members: Hear, hear.

Mr. Speaker: I really do not think the hon. member can say that in replying to a question the minister is not telling the truth.

Mr. Howard: Mr. Speaker, I am the first one to agree that the rules apply to everyone, and I wish they applied to the Minister of Transport as well—

Some hon. Members: Withdraw.

Mr. Howard: Keep your shirts on. If the rules are such that they require that I withdraw the allegation that the minister is not telling the truth, then I will comply with those rules, but it has no bearing on the facts as I know them.

Some hon. Members: Order.

Mr. Pickersgill: Mr. Speaker, I am not going to suggest that you enforce the rules in the case of the hon. gentleman. His record and my record are both well known to the house, and I am quite happy to leave it there.

Some hon. Members: Hear, hear.

Mr. Speaker: As my final word I would ask the co-operation of the hon. member for Skeena.

Mr. Howard: I would agree, and I don't want to mix the two records up.

Mr. Fairweather: There is no danger of that.

Mr. Donald MacInnis (Cape Breton South): As a supplementary question, will the promised action by the minister also take into consideration dismissing Mr. McLaughlin from the S.I.U., who was improperly allowed to run for office by the seaway trustees when he should not have been allowed to?

Mr. Pickersgill: Mr. Speaker, that is not within my responsibilities, and I always stay within my own responsibilities.

HOUSE OF COMMONS

REPORTED STATEMENT RESPECTING TELEVISING OF DEBATES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I direct a question to the Minister without Portfolio in relation to a statement he made in Montreal yesterday. I would like to ask the minister whether he was indicating government intentions when he stated that all house debates should be televised on a special high frequency channel?

Hon. John N. Turner (Member of the Administration): Mr. Speaker, I do not know any one in the house who could bring parliament home to the people better and in more dramatic fashion than the hon. member for Brome-Missisquoi.

Mr. Grafftey: Mr. Speaker, I have a supplementary question. Would the minister inform the house whether, on a statement as

important as that, he was speaking for the government and indicating government intention in that regard?

Mr. Turner: I was speaking personally, Mr. Speaker.

Mr. Grafftey: May I ask another supplementary question. Can ministers speak personally on—

Mr. Speaker: Order, please. There are only a few moments left, and the Chair recognizes the right hon. Leader of the Opposition.

CANADIAN BROADCASTING CORPORATION

ACTION TO BE TAKEN FOLLOWING COMMITTEE REPORT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the question I should like to ask is directed to the Prime Minister. In view of the substantial criticisms of C.B.C. management contained in the report of the committee on broadcasting, films and assistance to the arts, is the government going to give consideration to an immediate change in the top management of the C.B.C.? Will the government assure us that the C.B.C. management will be required to review the handling of the case of "This Hour Has Seven Days"?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the report was tabled only an hour ago and I have not yet had an opportunity to study it.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State. In the light of the report of the committee on broadcasting, films and assistance to the arts, will the minister convey to the corporation the information that a large number of Canadians would welcome the return of the program "This Hour Has Seven Days", unrevised and unrepentant?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have a woman's intuition, if you want to call it that, that they may already know this.

Mr. Speaker: Order, the question period now has expired.

[Mr. Grafftey.]

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed from Tuesday, June 28, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need, and the amendment proposed thereto by Mr. Knowles.

[*Translation*]

Mr. Speaker: The hon. member for Mégantic had the floor when the house adjourned last night.

[*English*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I had the floor last night, but just a few minutes before I took the floor the hon. member for Winnipeg North Centre (Mr. Knowles) presented an amendment to this bill. At that time Mr. Speaker said he would take it under consideration to see whether or not the amendment was in order. I did not speak last night. I merely rose and called it six o'clock. Then we proceeded to private members' hour. Before I speak today I am wondering whether the Chair is in a position to decide whether or not the amendment is in order.

Mr. Speaker: The Chair would like to hear argument from hon. members in respect of the regularity or legality of the amendment which was proposed last night. I understand that the Minister of National Health and Welfare (Mr. MacEachen) had indicated his intention either to support or to oppose procedurally the amendment. If any hon. members have a contribution to make in this regard, this is the time to do it.

Mr. MacEachen: Mr. Speaker, the amendment—

Mr. Peters: On a point of order; before the hon. minister speaks, I should like to ask whether or not the hon. member who had the floor will lose his position.

Mr. Speaker: The hon. member for Mégantic (Mr. Langlois) has relinquished his priority to speak in the debate at this time to allow the Chair to hear argument on the point of order and to make a decision, after which the hon. member for Mégantic will be allowed to make his contribution to the debate.

Mr. MacEachen: Mr. Speaker, the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) in a sense is a multiple choice amendment, because the way the amendment itself is drafted it presents a variety of courses to show that it does not fall within the standard rules of the house on motions which are admissible, or amendments which are admissible on the second reading of a bill.

Mr. Speaker, may I first refer to the necessity that any amendment moved on second reading must be strictly relevant to the principle of the bill. It is not sufficient that the amendment be connected with the bill or in the same general field; it must be strictly relevant to the principle of the bill. The principle of this bill is to provide public assistance to persons in need in Canada. The amendment moved by the hon. gentleman proposes a separate and a new scheme that is not strictly relevant to the principle of the bill. It is true, Mr. Speaker, that there is a provision in this bill by which assistance may be given to older citizens who are in need; but if that permits the hon. gentleman to have this amendment accepted, then it could be permissible for another hon. gentleman to get up and suggest that the house consider immediately an alternative scheme for the provision of increases in family allowances, because there is a provision in the bill by which assistance can be given to children in need.

There is also a provision in the bill by which assistance can be given to unemployed persons if they are in need. If the amendment moved by my hon. friend is in order, then it would be proper, through the method employed by him, for another hon. gentleman to move an amendment that an alternative scheme be brought in amending the Unemployment Insurance Act to increase the extent and duration of benefits. What I am attempting to illustrate is that the amendment is not strictly relevant to the bill itself, because if this amendment were accepted it would open the door for a series of further amendments affecting every social welfare scheme on the statute books of Canada.

I should also like to refer to the fact that already this session the house has dealt substantially with the question proposed by my hon. friend. May I refer to citation 163 at page 137 of Beauchesne's fourth edition which states:

> A mere alteration of the words of a question, without any substantial change in its object will not be sufficient to evade the rule that no question shall be offered which is substantially the same as one which has already been expressed in the current session.

The first amendment moved when the house resumed was an amendment moved by the right hon. Leader of the Opposition (Mr. Diefenbaker) regretting that Your Excellency's advisors have omitted to provide for an immediate increase from $75 per month to $100 per month for all recipients under the Old Age Security Act.

Mr. Starr: On what date was that?

Mr. MacEachen: January 20, 1966. While there are minor changes in the amendment proposed by the hon. member for Winnipeg North Centre, its object is substantially the same as the object of the amendment moved by the right hon. Leader of the Opposition. The house already has taken a decision on this question early in the session. The rule exists in order to avoid the house, in a single session making contradictory decisions.

• (3:50 p.m.)

We have already dealt with this question and the house has made a decision. Therefore I submit it cannot be posed again on this occasion. I say that for that reason, and for the reason which I earlier stated, this amendment itself is not strictly relevant to the provisions of the bill.

Let me summarize the two grounds for arguing that the amendment is inadmissible. First, it is not strictly relevant to the principle of the bill and, second, the house has already taken a decision on the question posed by the hon. member for Winnipeg North Centre (Mr. Knowles), and it is not proper to ask the house again to render a decision on this same question, because the decision could be contradictory to the one already taken.

Mr. Nasserden: Mr. Speaker, I should like to ask the minister whether it was January 12 when the Liberal party voted against an increase in old age pensions?

Mr. Knowles: Mr. Speaker, in respect of the first argument advanced by the Minister of National Health and Welfare (Mr. MacEachen) I suggest that it is a matter of judgment, and this is where the responsibility of the Chair comes into the picture, as to whether or not the subject matter of my amendment is relevant to the principle and the purpose of the bill. I submit for Your Honour's consideration the fact that the bill

has in it words which state that its purpose is to assist people who are in difficulty because of a number of reasons, one of them being age. There are various provisions in the bill with respect to the needs of older people and I submit, therefore, that an amendment which proposes to deal with those needs of older people in some other way than is proposed in the bill is relevant to the principle and the purpose.

The minister argued under this general heading that there are a number of other categories of people alluded to in the bill, and that if this amendment were in order it would open the door to a series of amendments. I submit that is not a basis upon which an amendment should be ruled out of order. If an amendment that is in order makes it possible for one, two or a dozen other amendments to be moved, that is not an argument against the validity of the first one.

In my submission we are dealing with the problem of needs, and we are dealing with those needs on a broad basis. The bill specifically refers to the needs of older people and age is specifically mentioned. It is my submission, therefore, that an amendment dealing with the amount of pension that we make available to our older people is relevant to the purpose and principle of this bill and, therefore, it should be allowed as being in order.

The minister raised as his second argument the fact that early in this session there were votes in this House of Commons on the question of raising the amount of the old age pension and lowering the age. He therefore suggested that this amendment runs counter to the rule that one cannot again in a session ask for a decision on a matter concerning which a decision has already been taken. Let me remind the house that we did our best during that earlier debate to make the point that the issue was in respect of the amount of old age pension, and we appealed to members to vote on the amendment proposed by the Leader of the Official Opposition (Mr. Diefenbaker) and the subamendment proposed by the hon. member for Burnaby-Coquitlam (Mr. Douglas), on the basis that the issue of the pension amount was before the house. We were told then by hon. members on the other side of the house, and in another corner, that that was not the question before us and that we were not voting on old age pensions, but voting on a matter of confidence or non-confidence in the government. We have been reminded of that fact at least a dozen times during the course of this session.

The government and others who took that position cannot have things both ways. They cannot argue in January that what was before the house was not a question of old age pensions—

Mr. MacEachen: Why do you not read the amendment? That is what was before the house.

Mr. Knowles: Mr. Speaker, the Minister of National Health and Welfare does not accept my proposition that he cannot have it both ways. He is in power, so he is going to have it both ways. He and his colleagues, including the Prime Minister (Mr. Pearson), argued in January that what was before the house at that time was not the old age pension question, but a question of confidence or non-confidence in the government. That argument has been repeated time and time again. I submit that, morally, they cannot have it both ways; they cannot argue in January that the motion then was one of non-confidence and not on the question of pensions, and now say that this matter has already been decided.

It is my submission that if on the earlier occasion we voted on a motion of confidence or non-confidence in the government, this is in fact a different motion we are now raising in respect of an increase in the amount of pensions and the lowering of the age at which the pension is to be paid, not in the context of confidence or non-confidence in the government, but in the context of the issue which has been brought before us by a piece of government legislation dealing with the whole question of the social needs of our people.

Incidentally, the citation from which the minister read, and this often happens with things that he reads, had another sentence. He read citation 163 which consists of two sentences, although he read only one. The other sentence of that citation reads as follows:

> It is possible, however, so far to vary the character of a motion as to withdraw it from the operation of the rule.

The wording of my amendment does differ from the wording of the amendment proposed in January, but I am not arguing that the difference in wording is sufficient to withdraw the motion from the application of the rule. I submit, however, that the character of

the motion is so different from the character of the motion moved in January that it withdraws it from the operation of the rule which is set out in citation 163 and citation 200, as well as the rule set out in several other authorities. I am quite familiar with that rule.

I contend that this house cannot regard a motion one way in January and another way in June. What we had before us in January, so this house decided, was a motion of confidence or non-confidence in the government. If that was the case, let it stand that way. We now have a motion before us having to do with the amount of the old age pension.

There is a third argument I thought the Minister of National Health and Welfare would use. I did my homework and I was ready for it.

Mr. MacEachen: There are several more.

Mr. Knowles: Perhaps I will be told that since the minister did not raise this argument I should not set forth an answer to it, but I raise it because it is an argument which I think is on our side of the case. I refer to our rights in moving an amendment on second reading of a bill. This is set out in several places, but succinctly in citation 382 at page 277 of Beauchesne's fourth edition. This citation has been put in *Hansard* on a good many occasions, but perhaps I should put it on the record again. It reads as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

The latter part of that has no relevance at this time, but I do not like to read a citation without putting all of it on the record.

• (4:00 p.m.)

You will have noticed, Mr. Speaker, that in reading that citation I tried by my tone of voice to emphasize the number of places where the word "or" appears. This citation does not say that an amendment on second reading has to do all these things, or even any two of them. It says it can do any one of several things. My amendment reads as follows:

> That Bill C-207 be not now read a second time, but that it be resolved that in the opinion of this house the government should give consideration to the immediate introduction of concurrent legislation providing for an old age pension of $100 a month, without a means or needs test, for all persons 65 years of age and over.

I submit that this comes within one or more of the rights set out in citation 382. The amendment suggests that I am opposed to proceeding with this bill in its present form until the house has had the opportunity to declare that in principle it believes there should be concurrent legislation dealing with another matter, namely old age, by raising the pension to $100 a month.

There are several things that can be done in such an amendment. It can differ from the principle, policy or provisions of the bill. My amendment differs on one point, on the point of how to deal with old age. It can express opinions as to any circumstances connected with the introduction of the bill. That in the main is what my amendment does; it objects to the Canada Assistance Plan being presented to us without our being given at the same time—and I welcome the support of the Leader of the Opposition (Mr. Diefenbaker) in the question asked on the orders of the day today—legislation dealing with the need to raise the old age pension to $100 a month.

I am not opposed to Bill C-207 per se; I am not opposed to the bill itself; but I am opposed to its being proceeded with, without there being at the same time legislation—my amendment asks for concurrent legislation—to increase the old age pension to $100 a month. Therefore, because it seems to me that I have been able to give effective answers to the two points raised by the Minister of National Health and Welfare, because I have been able to establish our right to move such an amendment by relying on citation 382, I trust that Your Honour will find the amendment in order.

Mr. Diefenbaker: Mr. Speaker, I am not going to go over the various points raised by the hon. member who preceded me. Suffice it to say that in January, when the amendment was moved by me to the Address in Reply to the Speech from the Throne, the stand taken by the Prime Minister (Mr. Pearson) was that his opposition to it was based on the fact that it was a vote of non-confidence. At page 59 of *Hansard* the following appears:

> I will explain to the house why we on this side cannot accept this vote of non-confidence. The right hon. gentleman—

That was referring to me.

—made a very strong appeal indeed to other opposition parties to support him. Whether he will get that support I do not know. Of course it is a vote of non-confidence and the consequences of the defeat of the government on a vote of non-confidence are obvious under our parliamentary system.

Throughout his argument he took the stand that no matter how desirable it might be, there was a question of priorities that had to be considered, but always returning to one argument, namely, that the motion moved, to which reference has been made, "We respectfully regret that Your Excellency's advisers have omitted to provide for an immediate increase from $75 per month to $100 per month for all recipients under the Old Age Security Act," was a vote of non-confidence.

I must say that I find it very difficult to understand why the minister on behalf of the government takes so strong a stand against this amendment. The rules are made, not to bind parliament; they are made for the purpose of assuring that parliament operates efficiently and effectively, and indeed that parliament carries out the will of the nation. That will and desire has been expressed over and over again.

I had hoped, when I asked the question today of the Prime Minister, whether action would be taken before the adjournment, that the answer would have been in the affirmative. However, it was not. If the argument of the Minister of National Health and Welfare is accepted, parliament is to be emasculated, parliament is to be denied the opportunity to vote on something which was not the matter for consideration in January when the amendment was moved. At that time the government took the stand that it was a vote of non-confidence. Today it endeavours to rely on the argument that this is the same matter that was previously decided.

Sir, there have been tremendous changes in the intervening months. According to the record the receipts of the fund exceeded by some $240 million the payments during the first year that ended on March 31, 1966.

Mr. Speaker: Order, please. The right hon. Leader of the Opposition knows that it is always with great hesitation that I interrupt him, and this is the situation at this time. But I do think we should try to limit the discussion at this time to the point of order. The arguments that are being made now may be most interesting, but I think they are directed more to the substance of the bill than to the point of order.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Speaker, I have been trying very hard to keep within the rules. I thought that any ancillary remarks that might be placed before you in order to dissociate the amendment of January last, moved by me on behalf of Her Majesty's Loyal Opposition, from the amendment that is now before the house would be matters that deserved consideration. I will put it in a very simple way. I support the argument that has been advanced by the hon. member for Winnipeg North Centre (Mr. Knowles) and hope that even now the government in its wisdom will withdraw its strong objection to this amendment and give parliament the opportunity to vote on a matter which ought not to be prevented on a technical objection.

Mr. Pickersgill: Mr. Speaker, I should like to deal directly with the points raised by the Leader of the Opposition and I will endeavour to keep strictly to the point of order. The Leader of the Opposition said that the rules were made, and I agree with him, for the proper discharge of the business of the house. It is of course well known that an amendment of this nature, or indeed of any other nature, to the second reading of a bill kills the bill. In other words, what the hon. member for Winnipeg North Centre (Mr. Knowles) is doing is preventing parliament, if he is successful in getting this amendment before the house and getting the house to vote for it, from dealing with this measure; he will kill the Canada Assistance Plan and interfere with the orderly progress of the business of the house.

Mr. Knowles: That is not true.

Mr. Pickersgill: It is absolutely true, and the hon. member knows it perfectly well. But it is for Your Honour to decide, not the hon. gentleman. The second point is that the orderly business of the house cannot be conducted if we are to have endless and repetitive debates on the same subject in the same session, when the subject has once been disposed of by the house. An amendment to the second reading of a government measure on which the government has staked its life is just as much a vote of confidence as an amendment to the address—and the right hon. gentleman knows that full well.

• (4:10 p.m.)

Mr. Diefenbaker: Will the minister allow a question? Is is not possible to move a series of votes of non confidence and stay within the rules?

Mr. Pickersgill: Yes, so long as they deal with different subject matters. That is the essence of the rules. I do think, to repeat what my hon. friend the Minister of National Health and Welfare has already said, that a vote of want of confidence on this subject has already been rejected by the house in the present session of parliament and therefore, if we are to deal with all the business that has come before the house under our rules, this subject should not be brought up again, especially by an experienced member who poses as one of the greatest authorities on the rules of the house and as one of the greatest humanitarians. May I say to him that perhaps inadvertently he is trying to kill the Canada Assistance Act by this amendment.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Whatever his intentions may be, that will be the effect if he is successful.

Mr. Douglas: Those are cheap remarks from a cheap politician.

Mr. Knowles: May I say to the minister that at least I do not distort the facts.

Mr. Pickersgill: The hon. gentleman knows that if this amendment is carried the bill will no longer be before the house. A different proposal would have been accepted.

Mr. Knowles: Will the minister permit a question? Does he not recognize that if this amendment is carried it will be an expression of opinion by this house that the government should bring in concurrent legislation on old age security? In other words, it will be an expression of the opinion of this house that we want both the Canada Assistance Act and a $100 old age security pension.

Mr. Pickersgill: The hon. gentlemam and I could conduct a seminar on this subject.

I am quite sure that when Your Honour has read the authorities on the rules it will be found that all of them indicate perfectly clearly that when an amendment such as the one moved by the hon. member is accepted by the house on second reading of a bill, it kills the bill. That is one of the procedures of the house which is known perfectly well to the hon. member.

I am not seeking to distort the facts. I am seeking to remind the hon. gentleman of some of the lessons he used to give to hon. members when I sat up in the gallery and he was a member here long before I became one. The essential point is that here we are faced with a vote of want of confidence on precisely the same subject as the one on which the house has already made a decision in January. As my hon. friend the Minister of National Health and Welfare has already pointed out, this motion is not strictly relevant to the matter before us and therefore is not a true amendment. It seems to me that on both these counts it is out of order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have just listened carefully to the arguments put forward by both sides.

I am somewhat surprised at what the Minister of Transport (Mr. Pickersgill) just said. According to him, if the amendment is accepted, the bill will be put off indefinitely and consigned to oblivion.

Well, this is another matter. What we should like to know now is whether or not the amendment is in order. If it is in order, it must be accepted by the Chair.

If the Chair accepts the amendment and the question is put, then the government will have to convince us that by voting for the amendment, we shall kill the bill. We might then take the opposite view.

This is not the matter to be settled today, but whether or not the amendment is in order. If it is in order, it must be accepted. Afterwards, we shall decide how to vote on the amendment.

I make no secret of the fact that if such an amendment were accepted, with the result that the bill under consideration would be killed, I would probably hesitate to vote for the amendment, so as to prevent the bill from being killed.

But would the amendment have this effect? This is another matter which will come up later. At present, the matter to be settled is as follows: Is the amendment moved by the member for Winnipeg North Centre (Mr. Knowles) in order or out of order?

The question is not whether the amendment will kill the bill, if passed, but whether the amendment is in order. On this point, the Minister of National Health and Welfare (Mr. MacEachen) has brought up two arguments.

The first, or rather the second, is that the same problem has already been discussed, or at least that we have already been called upon to make an identical decision since the beginning of the present session.

On this point, Mr. Speaker, I am completely in agreement with the hon. member for Winnipeg North Centre (Mr. Knowles) and with the Leader of the Opposition (Mr. Diefenbaker) that is it not, in any way, the same decision we have to make.

In January it was a non-confidence motion introduced by the Leader of the Opposition. It was a non-confidence motion because such a measure had not been taken.

For a week, we were repeatedly told by the members on the government side that the issue involved was a question of non-confidence and not a question of increasing old age pensions.

When we told the members of the government: You will be voting against old age pensions, they replied: No, we will be voting confidence in our government.

That is what the members of the government were suggesting in January. We did not quite believe them and we voted for the motion, thinking it was a vote to increase old age pensions.

Today, we are told that it is not so. We are told just the opposite of what we were being told at that time. At the time, the motion was, in fact, written in such a way as to express non-confidence in the government because the old age pensions had not been increased.

Today, the amendment is asking rather that the bill be not read now for a second time but be referred to the committee in order to include in the bill an increase in the old age pension, which is quite another thing.

We are not asked to vote on the same thing at all, the wording is not the same. First, the text is not written in identical words or sentences. Second, there was in the first motion an idea of lack of confidence which is not found in the present motion. You will admit it.

There was not, in the first motion, that idea of increasing the old age pension, whereas there is in the second amendment that idea of introducing a bill to increase family allowances. Therefore, we are not asked to vote on the same thing at all.

Second, the Minister of National Health and Welfare tells us that the amendment does not agree with the principle of the bill now under consideration. But, in that regard, I am in full agreement with what the hon. member for Winnipeg North Centre said to the effect that the amendment is directly related to the bill which we are now studying.

The old age pension, Mr. Speaker, is a social security measure and what we are studying now is a series of social security measures.

Some are related to social welfare itself, social welfare services, general assistance, the blind, the needy mothers, the disabled. There are, in the same bill, other clauses which deal with social welfare for Indians. Others in Part III are related to work activity projects.

It is therefore a bill which includes a group of social security measures. Well, increasing the old age pension is also a social security measure. It is directly related to the bill now under consideration.

For those reasons, I think that the amendment moved by the hon. member for Winnipeg North Centre is quite in order. There is no doubt at all in my mind, Mr. Speaker, that the amendment is acceptable and I have not heard from the Minister of Transport or the Minister of National Health and Welfare a single valid argument to the effect that it is not.

However, as I said at the beginning, I heard a valid argument from the Minister of Transport to the effect that if the amendment is passed, the bill might be postponed indefinitely, but that argument has nothing to do with the amendment being in order or out of order.

When the time comes to decide whether the bill should be given the six months' hoist because the amendment has been passed, we may then change our minds, because we do not want that bill postponed indefinitely, we do not want it to be shelved. On the contrary, we want it passed, preferably with an increase in the old age pension, for that increase has been discussed for a long time. We want the bill passed with the increase, but if the Minister of Transport manages to convince us that by accepting the amendment the bill is killed, then we shall vote otherwise.

Mr. Speaker, without a doubt the amendment is in order; the Minister of National Health and Welfare and the Minister of Transport have not argued that the bill would be out of order.

• (4:20 p.m.)

[*English*]

Mr. Turner: I should like to speak to the point of order, beginning with the argument

so ably adduced by the Minister of Transport. May I say that if Your Honour should admit the amendment, which I want to submit is not in order in any event, then the effect of such an amendment would be to kill the bill.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a point of order. I believe that when—

Mr. Speaker: We are now on a point of order. We cannot consider two points of order at the same time.

[*English*]

Mr. Turner: As I say, the effect of the amendment, if it were admitted, would be to kill the bill. I should like to cite, for the benefit of Your Honour, from a parliamentary dictionary written by Abraham and Hawtrey, and I refer Your Honour to page 34 of that dictionary where it is stated that on second reading, if a member moves that the bill be read a second time upon this day six months hence, or if he moves a reasoned amendment giving reasons why the bill should not receive second reading, such as the hon. member for Winnipeg North Centre (Mr. Knowles) has done in a particular instance, and if such an amendment is agreed to, the bill is rejected. This is quite clearly a parliamentary principle, and the citation in this little dictionary goes on to the same effect.

I want to submit to Your Honour that the amendment is not in order and should not be received. I know that you probably have had an opportunity to reflect upon these citations, but I should like to bring a certain citation to your attention. It is a ruling by Mr. Speaker Michener which is found in the *Journals* of the House of Commons, No. 70, for January 23, 1958 and relates to an amendment which read:

> That Bill No. 237 be not now read a second time but that it be resolved that in the opinion of this house consideration should be given to the advisability of introducing at this session legislation making definite and statutory provisions for parity prices for agricultural products at levels that will assure to producers their fair share of the national income.

Mr. Churchill: Was that amendment moved by the Minister of Transport?

Mr. Turner: No, this amendment was moved by Mr. Zaplitny and seconded by Mr. Schulz. This type of amendment is on all fours with the amendment now before the house in this sense, that it rejected the bill at second reading by stating that it should not now be read a second time, and giving an alternative avenue for the expenditure of public money, in this case parity prices for agricultural products, whereas in the case of the amendment now before the house it relates to old age pensions of $100 a month.

Now, Mr. Speaker Michener, in referring to the first part of the amendment said that this part, by itself, was out of order because it was a denial of the motion before the house that the bill be read a second time, and the way to dispose of that would be by voting against second reading. So far as that part of the amendment is concerned, by itself, it would not be in order.

Then, he deals with the reasoned amendment, the tail that has been added to it, and here is what Mr. Speaker Michener said:

> In so far as the remainder of the amendment is concerned, it does not propose that something be done with this bill and that is what gives me some difficulty. On the contrary the previous amendment proposed that the bill be referred to a committee—

That was a previous amendment that had already been dealt with by the house.

> —and that is quite in order. If the principle of the bill is opposed, and some other proper disposition of the bill is moved by way of amendment, then that is in order. But this amendment does not seek to dispose of the bill at all. It simply calls upon the house to start, *de novo*, with some other proceedings—

In this case, to start proceedings to raise the old age pension.

> —presumably to consider bringing in another bill. This would have to be done at the instance of the government and, being a money bill, would require a fresh resolution and the institution of fresh proceedings. Therefore, from that point of view, I am not considering the latter part of the amendment as an amendment to the principle of the bill at all, but as proposing something that is quite extraneous to the matter before the house and something which would be introduced by a motion on the order paper at any time but in my view could not be stated by way of amendment at this time.

Therefore, Mr. Speaker Michener went on to rule the amendment was not in order. I refer Your Honour to that citation because it clearly relates to presenting amendments with the idea of introducing alternatives, or what the Speaker called a reasoned amendment.

Mr. Knowles: It is not an alternative, it is concurrent.

Mr. Johnston: I would hesitate to attempt to instruct Your Honour on the rules of this house, having been here such a short time. I would suspect that there are a variety of

grounds upon which an amendment could be ruled out of order. If the minister had other reasons to give, I wish he had given them, instead of saying that we had dealt with this matter on the first vote of confidence at the beginning of this session. I refer him to the words used by the hon. member for Essex West (Mr. Gray) in his speech at the resolution stage of this measure. At that time the hon. member set forth clearly the results consequent on a defeat of the government. He set them forth more clearly than I would have been able to do. The position of Social Credit then was very clear. We said we would vote against the motion of non-confidence; that we did not have a piece of legislation before us, and what this country needed was a parliament in session to begin working on legislation. I regret that the minister chooses now to assume that we had, in effect, joined the government in removing any possibility of an increase in the old age pension during the life of this session. To argue against the amendment on that ground is perhaps not the unkindest cut of all, but rather a sharp one.

The Canada Assistance Plan will have the result of increasing the security pension for some pensioners across this country. I should like to discuss this aspect more fully on second reading, but our regret is that it does not go farther.

Mr. Baldwin: Mr. Speaker, I want to restrict my remarks exclusively to one aspect of this point of order, namely that because the subject matter of the amendment proposed by the hon. member for Winnipeg North Centre is in the form it is it constitutes a request by this house to deal with a matter which has already been disposed of by the house on January 20. I should like, first of all, to invite Your Honour to make a distinction with regard to the suggestion made by the Minister without Portfolio (Mr. Turner). As I read the words of the amendment upon which Mr. Speaker Michener ruled, and the wording of the present amendment, I would point out that the amendment moved by the hon. member for Winnipeg North Centre calls for the immediate introduction of concurrent legislation. It is quite obvious, then, that he is not asking the house to do away with the bill which is now before the house; he is simply suggesting that we take a certain course of action with respect to another matter which shall be concurrent to proceeding with this measure as well.

[Mr. Johnston.]

I think there is a clear indication there that this bill will not disappear. The intention of the hon. member is not that this bill shall disappear, but that its future terms shall be regarded as being correlated to and concurrent with another measure. Therefore, Mr. Speaker, I suggest that you can distinguish this particular matter from the precedent cited by the Minister without Portfolio.

• (4:30 p.m.)

I want to go a step further. The wording of the present amendment which is before the house includes the phrase "the government should give consideration". This is a device well utilized and hallowed by generations of practice in this house. It is not a demand that the government shall express its opinion as being in favour of a specific proposal, in this case an increase in old age pensions. The wording of the want of confidence motion on January 20, as reported at page 58 of *Hansard*, is as follows:

> We respectfully regret that Your Excellency's advisers have omitted to provide for an immediate increase from $75 per month to $100 per month—

That, Mr. Speaker, is a concrete and specific expression of regret that the government has not done something.

What the hon. member for Winnipeg North Centre is suggesting is that the government should give consideration to a certain matter. I think this is a type of wording which Your Honour must take into account in arriving at a decision. The amendment says that the government should give consideration to the immediate introduction of concurrent legislation. I think this is important.

Having in mind the practice in this house, if the point of order raised by the minister is to be given effect to, then it will mean, if we cannot make such a distinction as the hon. member for Winnipeg North Centre sought to make, that during the course of this session, which may last a very long time, this house will be precluded under any circumstances from dealing at any time or in any way with an increase of pensions under the Old Age Security Act from $75 to $100 a month.

We can take it, then, that the government has sought to use this procedural device of putting the matter out of the path of parliament at any time during the course of this session. I think that from that point of view the ruling of Your Honour on this aspect of the matter is of some considerable importance.

Mr. Brewin: Mr. Speaker, you have already received a good deal of advice on this matter,

but it is one of such tremendous importance, it seems to me, that I will try briefly to put to you one or two extra points which I do not think have yet been made.

There are three objections which have been noted. The first is that it is said that this house has already dealt with the matter and disposed of it on January 20. Such an argument does not depend, I submit, on the precise words of the motion that the house dealt with at that time as compared with the motion that the house is asked to deal with now. If the context has substantially changed and the circumstances have changed then you are not, I submit, dealing substantially with the same matter.

Citation 194 of Beauchesne's fourth edition which deals with this question, is as follows:

> A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided—

It is said, Mr. Speaker, that on January 20 this house decided that it would not increase old age pensions to $100 a month. I want to put it to you, Mr. Speaker, that in all common sense the situation has substantially changed since then. Things do not remain at a standstill in the country for six months. There has been an increase in the cost of living, a fact well known to all members of the house. The Minister of Finance also brought this fact out in his budget; and there is the threat of inflation. There is no one more clearly the victim of this than those to whose interests this motion is directed.

I suggest, Mr. Speaker, that as the cost of living and the cost of housing and shelter rise a new situation entirely presents itself today, in June, which is different from the situation to which the previous motion in January was directed, and of which the house disposed. It seems to me that this is only common sense and it fits in with what was said by the hon. member for Peace River (Mr. Baldwin).

Is it to be said that because we dealt with this matter verbally in January—and this is quite apart from the argument that in January a vote of confidence motion was moved, whereas this is a different sort of vote; I am not talking about the change in any verbal sense in context, or about the precise way in which the house dealt with the matter then—that today, when circumstances have altered, the elderly people to whom reference is made in this amendment are in substantially the same position, and that an amendment at this stage would be out of order? If necessary, I will be prepared to call as a witness the Minister of Finance, who would testify to the fact that the danger of inflation has grown and that the cost of living has increased, particularly in relation to the cost of food and rent, thus affecting the people to whom this motion is directed.

The second argument that has been advanced is that this motion is not relevant. Surely that argument is impossible on two counts.

Mr. MacEachen: Strictly relevant.

Mr. Brewin: Strictly relevant? Surely that argument is incorrect on at least two grounds. The first ground is that it is contrary to ordinary common sense. The Canada Assistance Plan has been put forward by the government as its answer to the problems of the elderly people. Some members of this house do not believe that it is an adequate answer. Surely when the government brings forward for second reading a measure which it says, in part at any rate, is designed to meet the needs of the elderly people of this country, it is relevant for the members of this house who happen to differ from that opinion to express their views on the matter.

Apart altogether from that, how can it be argued that a matter which falls, as the hon. member for Winnipeg North Centre pointed out, precisely within what a member is entitled to do on second reading of a bill, is irrelevant? I would remind you, Mr. Speaker, once again of citation 382 of Beauchesne which is as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction—

This amendment, Mr. Speaker, is certainly directed to, and connected with, the circumstances of the introduction of this bill. When the citation to which I have referred specifically states that this type of amendment can be introduced at this time, how can it possibly be argued that it is irrelevant? I have often been amazed in this house at the width of the rules of relevancy extended from time to time; but on this particular occasion, for the reason that it is embarrassed by this amendment, the government is trying to put before us a ruling as to relevancy which runs strictly contrary to the established principles in this house.

Lastly, Mr. Speaker, I want to repudiate the suggestion that the effect of this amendment is to kill the bill. It is clearly worded to have the contrary result. If this house accepts the motion, the motion clearly states that the government should give consideration to the introduction of concurrent legislation. In no sense does this motion kill the bill.

If by some technicality it means, Mr. Speaker, that we have to stay here a little longer while the original bill is reintroduced and, in accordance with the amendment, a concurrent piece of legislation is brought in to provide for an old age pension of $100 a month without a means test or a needs test for all persons 65 years and over, we in this corner of the house—and I think I speak for all members of the house—would be glad to wait here as long as necessary until these measures are brought in; and they should be brought in quickly.

I realize we are now dealing purely with the interpretation of the rules, but in the name of common sense and the ability of parliament to do so, I ask before we recess that we be allowed to deal with the principle which is embodied in the amendment, which deals with a matter of tremendous importance to a very large section of the people of Canada.

• (4:40 p.m.)

Mr. Pickersgill: Could I ask the hon. member for Greenwood a question?

Mr. Brewin: Certainly. I do not know whether I can answer it.

Mr. Pickersgill: Does the hon. gentleman think that if this amendment were ruled in order, and the house accepted it, it would be mandatory upon the government to bring in the concurrent legislation referred to?

Mr. Brewin: Oh no. I do not suggest it would be mandatory that they do so. But I think that if the house passed such a resolution and the government refused to carry out the will of parliament, then it should either resign and make way for another government or reconsider its policy on this matter.

Mr. Gray: May I ask the hon. member a further question? The first line of the amendment contains the words "That Bill No. C-207 be not now read a second time". Can he tell the house what will happen if the amendment is passed? Aside from the balance of the amendment, what would happen to the bill before us?

Some hon. Members: Oh, oh.

[Mr. Brewin.]

Mr. Speaker: Order, please, If the hon. member for Greenwood wishes to answer the question—

Mr. Brewin: The hon. member is proving himself an apt pupil of those who read only part of a resolution and not the whole thing. Even if this were passed, and the bill was defeated for some technical reason, it would be perfectly simple for the government, if it had the will to do so, to introduce this legislation again and to introduce the legislation contemplated in the resolution. As far as we are concerned we would facilitate this being done expeditiously. So that problem would be dealt with.

Mr. Churchill: We would do the same.

Mr. Speaker: If there are no other contributions to the debate on the point of order, hon. members may wish me at this time to express an opinion on the many interesting arguments which have been advanced.

Since this amendment was moved last evening by the hon. member for Winnipeg North Centre I have had an opportunity to look at it and, in the same way as other hon. members have done, I have proceeded to study the authorities and the precedents. I thought I had covered every possible argument either for or against the proposition in my study, but I can see, having listened to the opinions expressed today, that there are a number of aspects of this problem which I had not even thought might exist.

I do appreciate the suggestions made by all hon. members, both for or against the amendment moved by the hon. member for Winnipeg North Centre and seconded by Mrs. MacInnis. Perhaps I might put the amendment on record at this time, since we have been considering the point of order for over an hour. It was in the following terms:

> That bill No. C-207 be not now read a second time, but that it be resolved that in the opinion of this house the government should give consideration to the immediate introduction of concurrent legislation providing for an old age pension of $100 a month, without a means or needs test, for all persons 65 years of age and over.

I should mention immediately that one of the arguments considered by several speakers was the suggestion that if this amendment were carried a certain consideration would ensue and the bill would be killed. I had the impression that this was not a relevant argument. I do not think it is part of the procedural argument that if an amendment is accepted something else will follow, and I would

be inclined not to consider either the arguments in favour of that proposition or those made against it.

Of course, if this motion can be considered at all, it is—as suggested by the hon. member for Winnipeg North Centre—as being a reasoned amendment by virtue of citation 382 of Beauchesne's fourth edition, which reads as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill.

I am not going to comment on the argument made by the hon. member for Winnipeg North Centre in this respect. I gather his objection had to do with the possibility that someone might argue that the amendment was not in opposition to the principle of the bill. But, as he himself recognized, that argument was not advanced and his view of this matter should therefore not be considered.

Reasoned amendments, as hon. members have argued, are still subject to the general rule of relevancy. Page 527 of May's seventeenth edition states as follows:

> The following rules govern the contents of reasoned amendments:
>
> (1) The principle of relevancy in an amendment governs every such motion. The amendment must "strictly relate to the bill which the house, by its order, has resolved upon considering".

The point has been made by the Minister of National Health and Welfare that there is a requirement that the amendment should be strictly relevant. I have some doubts myself on this point; it should be noted that the words of the citation are exactly as I have quoted them. There must be strict relevance to the bill. A strong argument has been advanced by the minister to the effect that this reasoned amendment is not strictly relevant to the bill itself, in that it goes beyond its scope. I believe the amendment might well be ruled out of order on this ground alone.

However, there are a number of other difficulties which I am sure have not escaped the hon. member for Winnipeg North Centre and others who have taken part in the debate on the procedural aspects. For one thing, the rule of relevancy implies that a proposed amendment should not impose a condition on the proposal which it seeks to amend. This is, perhaps, an aspect which has escaped most hon. members; at any rate, if the argument was put forward it escaped me. The hon. member proposed in his amendment that Bill No. C-207 shall not be passed unless, to use the wording of the amendment, concurrent legislation is introduced.

According to citation 94(1) of Beauchesne's fourth edition, this would appear to be out of order. The citation reads as follows:

> The principle of relevancy in an amendment governs every proposed resolution, which, on the second reading of a bill, must not... attach conditions to the second reading of the bill.

As I understand it, the purport of this motion is that the bill will receive second reading, provided other parallel or concurrent legislation is introduced. This clearly, to my mind, and in my humble judgment, is attaching a condition to the second reading of the bill which is now before the house.

The third argument which was considered by all hon. members who took part in this very interesting discussion related the admissibility of the amendment, bearing in mind certain citations, in particular 148(1), 148(2) and 200(1) of Beauchesne's fourth edition, which I should like to read. The first reads as follows:

> 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.

Citation 148(2) says:

> 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—

Substantially, it repeats the principle enunciated in 148(1). The other citation, again from Beauchesne's fourth edition, is 200(1):

> An old rule of parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the house."

• (4:50 p.m.)

Hon. members have suggested that there is a substantial difference between this amendment and the one which was moved by the Leader of the Opposition (Mr. Diefenbaker) during the Throne Speech debate. I do not agree. The hon. member for Greenwood (Mr. Brewin) suggested that things have changed in the interim, between that time and now, a period of six months. That is quite possible; but what the Chair has to consider is the amendment itself and the amendment moved

then. The amendment moved then was substantially the same as that now moved by the hon. member for Winnipeg North Centre (Mr. Knowles).

The Minister without Portfolio (Mr. Turner) referred to a judgment given by Mr. Speaker Michener, and which makes sense, but perhaps not in the same way as it was referred to by the minister. I would like to quote a different part of that judgment which was reported in the *Journals* of January 23, 1958, at page 366:

> If the principle of the bill is opposed, and some other proper disposition of the bill is moved by way of amendment, then that is in order. But this amendment—

The Speaker was referring to an amendment moved at that time which, in my view, was very similar to the one we now have under consideration.

> —does not seek to dispose of the bill at all. It simply calls upon the house to start, *de novo*, with some other proceedings, presumably to consider bringing in another bill... Hence in my view the amendment is not in order as it stands.

In view of these arguments I have no alternative except, with great regret, to refuse the amendment moved by the hon. member for Winnipeg North Centre, and to say that on procedural grounds it is out of order.

Mr. Knowles: I share your regret, sir.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, now that all these points of order have been disposed of, we have probably lost more time than if we had discussed the amendment. Even though our procedures did not permit the amendment to be moved, nevertheless that does not remove the urgent need for such a piece of legislation to be introduced.

This bill, No. C-207, concerns one of the main principles of any society, the basic human rights of the individual. I agree with what the hon. member for Winnipeg North Centre (Mr. Knowles) said yesterday, that the Liberal government has the ability to introduce legislation which flatters you on one side, and on the other hand more or less slaps you on the back of the head. This is a typical example, concerning our aged people and their needs for a higher pension to cope with the rising cost of living.

There are good points in the bill, and some points that should have been developed more. It should include greater protection for individual needs. I also agree with what the hon. member for Winnipeg North Centre said yesterday, that all people in this country have the same equal rights to live. This applies to children as well as to the aged, to needy mothers as well as veterans. Each individual has a basic right to live, but to live he must have the necessary means and income.

There are three basic categories in this country, those who earn the means to live by their labour, those who live on the interest derived from capital investment, and a third group who have neither the capacity for labour nor enjoy he privilege of living on capital. What is this third group to do? These are the people covered by this bill, and the aged are included in them. Under the terms of this bill the government is now placing them under public assistance. This is a public assistance act.

[*Translation*]

Mr. Raynald Guay (Lévis): Mr. Speaker, would the hon. member allow me a question?

Mr. Langlois (Mégantic): Certainly.

Mr. Guay: Does the hon. member believe that people aged 70 with a $10,000 annual income should have their old age pensions increased at this time?

Mr. Langlois: Mr. Speaker, that is not the problem which I referred to. Perhaps the hon. member gave another interpretation to my remarks, but, in any event, I said that there are different categories of people: those with income derived from a job; then those with income derived from capital investments.

Then, the example just given by the hon. member is included in those categories.

I refer to the aged citizen who cannot earn a living for himself either through work, or through capital investments. He has nothing left but old age assistance.

And Mr. Speaker, I do not like the inclusion of the old age pension, which is a right. I do not like it when those people who gave the best of their lives for their country are now to be included in an assistance plan. Out of respect for them, they should be granted a special status in Canadian legislation.

[*English*]

I see it is five o'clock, Mr. Speaker.

An hon. Member: Not yet.

Mr. Langlois (Mégantic): I thank hon. members for not seeing the clock. Yesterday the hon. member for Winnipeg North Centre

pointed out that the first duty of a government is to see that each individual has the necessary means to live honestly and adequately. That is stipulated in the Bill of Rights which was introduced in 1960, and was included in the universal bill of rights discussed by UNESCO. But when this principle is ignored the government's objectives are wide of the mark and completely useless.

• (5:00 p.m.)

I do not agree with the suggestion made today by the Minister of Transport (Mr. Pickersgill), that the hon. member for Winnipeg North Centre was trying to be a politician when he moved his amendment. This was the interpretation I took from the words of the minister. If he has any corrections to make on that, he may get up and say so and I will gladly accept his version of it. That however is the understanding I had of his words. The Minister of Transport constantly suggests that such amendments are political, and that we act as politicians in bringing them in. Where does the category of statesmanship come in? For my part I think the hon. member for Winnipeg North Centre, when making this amendment yesterday and when speaking on his amendment, spoke like a statesman; he spoke honestly. If hon. members in this house will take the time to read his speech, I think they will recognize this, all the way from A to Z. He mentioned the Bill of Rights that was presented in this house in 1960. If there are any members who wish to say that that Bill of Rights has anything wrong with it, it is up to them to say so now. He was talking about principles; he was not talking of election platforms. I can remember what some of the members who are mumbling over there said during some of the recent election campaigns. I do not know whether or not they said the same things before, because I was not around then; but they made promises that they would implement an increase in the old age pension to $125.

I heard these things in the 1963 campaign. They forgot about it between 1963 and 1965 and then remembered it in the 1965 campaign. The only difference in the two platforms was that a new hole was cut in the one in 1965, and that probably was because they lost some cabinet ministers in the shuffle. Then they forgot about it after 1965. It is funny how they can remember, and then forget again. I am not making a political speech; I am a layman. God knows that sometimes the truth hurts; and if it hurts, fine, because I am going to speak the truth. I am sure the government does not want to pass a piece of legislation while members sit quietly and do not say a word about it, and then expect to finish the following night all the legislation they have on the order paper.

Mr. Deputy Speaker: Order. Perhaps this is a good time for the Chair to call it five o'clock.

Mr. Langlois (Mégantic): I started at five minutes to five, Mr. Speaker, and I will gladly sit down if I have assurance that I will be allowed to continue my speech.

Mr. Deputy Speaker: Order. When the debate is resumed the Chair will permit the hon. member for Mégantic to finish his remarks.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, there has been some discussion on the point that tonight we might forgo the private members hour, and that rather than sit tomorrow night until ten o'clock, we sit tonight. It has been suggested that we adjourn tomorrow night at six o'clock instead of ten o'clock. Since this discussion, a suggestion has been made that tonight we might wish to rise for the dinner hour from six to seven, and then sit from seven until eleven so that there would be no loss of time. If this suggestion were followed, hon. members would be able to make their travel arrangements for tomorrow night after six o'clock.

Mr. Howard: Mr. Speaker, I should like to ask for a little clarification of this proposal. If we are to adjourn tomorrow night at six o'clock, then the presumption behind it is that there shall be no private members hour tomorrow. Am I correct?

Mr. McIlraith: I had not dealt with the point of private members hour tomorrow. If the hon. member has any views on this, I would be glad to hear them.

Mr. Howard: If we do adjourn at six o'clock tomorrow, there will be no private members hour; we cannot do anything about it and there is no disagreement on my part. It is agreeable, so long as the understanding is clear and it is made an order of the house.

Mr. Knowles: My colleague spoke about one aspect of the proposal with respect to the hours of sitting for today and tomorrow. As I under-

stand it, the proposal is that we sit until six o'clock this evening, then sit again from seven until eleven, and that we adjourn tomorrow at six o'clock. If it is proposed that this be made an order of the house, we agree.

Mr. Cameron (High Park): The suggestion, Mr. Speaker, apparently meets with almost unanimous approval and I would not like to say I am not in agreement. I should like to call attention to the fact that this does do away with private members hour today and tomorrow. In giving my consent I wish to make clear to the house that I think more consideration should be given to the rights of private members who have things which they wish to discuss in the hour reserved for private members.

Mr. Deputy Speaker: Order. Is it agreed that the house dispense with private members hour at this time, and proceed until six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: There will be a recess for one hour and then the house will proceed from seven o'clock to eleven o'clock, and tomorrow the house will adjourn at six o'clock. Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207 to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Mr. Langlois (Mégantic): Mr. Speaker, I was referring to some of the past election promises which have been made. Well, at least I thank them for the promise. The only thing I am not happy about is that they did not hold to their promises. Perhaps they would argue the point that we do not have the money to give out; but what about the other possibility, the means of the people who need it? Do they have the means to wait for it? That is the first thing we should consider. This brings me back to the point made by the hon. member for Winnipeg North Centre when he pointed out that regardless of who it might be, it is our duty as a government to see that each individual in this country receives enough for his basic needs. The minister in his bill stated this very well. He has considered pretty nearly all the aspects of this, but he has not considered it necessary to give them enough to fulfil these needs.

[Mr. Knowles.]

• (5:10 p.m.)

The government might be worried about where it is going to find the money, but let me tell them where they should begin looking for it. The country lost $130 million as a result of questionable bankruptcies and income tax evasions. The government should take a look at the amount of interest that is being paid in this country—millions and millions each year—with a view to saving some money in that regard.

In this country we have a gross national product of $56 billion and a population of only 20 million. If you divide that equally it would amount to approximately $2,800 per person. What share do the people get of that production? A great many of our laws must be changed. We do many things in the way of aid at the wrong time and in the wrong areas. We must do things right, at the right time and in the right places.

There are many needy widows in this country who have two, three, four or more children to support, yet they receive $10 per child, and a basic allowance for the mother, in order to exist. No mother can see to the needs of her children on $10 a month. When a mother finds herself unable to provide properly for her children, they are taken by the government and placed in foster homes and the foster parents receive from $35 to $65 per month for their welfare. I know of some orphanages that receive up to $120 for the support of children who are over 16 years of age. If foster parents require $65 per month to support a child, and orphanages require $120 per month per child how can anyone expect needy mothers to look after their children on $10 a month per child? The government must have some consideration for the needs of these people. If provincial governments do not respect that need in an appropriate way, this government should force them to do so. Children are much better off living with their own mothers, rather than in foster homes or in orphanages.

I know of cases where husbands have died leaving older houses to their widows. These houses are worth in the neighbourhood of

$3,000 to $5,000. Under the provisions of welfare the value of a house is considered as income, under means tests, and a needy mother cannot obtain assistance until such time as she has sold the house and used up the money she has received for it. These people must rid themselves of all their possessions and place themselves and families out on the street before help is given. Some of these widows have as many as eight children to look after and they have difficulty enough in finding a place to rent. It is downright inhuman to ask a widow to sell her house and possessions, and put herself in a destitute position before giving her assistance.

Let me refer to one example which occurred in my constituency. This woman was left a house by her husband when he died. She was sick and required assistance. She had a 22 year-old daughter who was earning $35 per week. She was told that her daughter could help support the family and that before assistance would be provided she would have to sell her house and use up the money. I advised that woman to sell the house to her daughter and then rent it from her for $45 per month. She did so, and now receives assistance because she does not own any property.

That is the kind of thing that was revolting to the people in the 16th and 17th centuries; yet these things are still taking place here in Canada. In view of the basic rights of people, as outlined by our Bill of Rights, these things should be prevented by this government. I may be reprimanded for the advice I gave the woman to which I have referred, but in view of present circumstances I would do exactly the same thing again.

Some of the legislation we pass in this house is based on common sense, but a good deal of it is not. I deplore that fact and suggest that it is up to us to correct it. We must provide our elderly people, the people who built this country, with some social security in the last years of their lives. We are too prone to forget the efforts many of the people of this country have made, when we come to passing out assistance. The veterans of his country are very often forgotten. In the 1940 to 1945 period they were considered as heroes, but today they are considered as zeroes. The war is now over and we are relatively safe so we can forget easily the fact that these people risked their lives and spent five, six or seven of their best years fighting for this country.

The government must pass legislation in order to control monetary policies if it cannot control them under present legislative provisions. I cannot understand why a country like Canada should still have great areas of poverty and misery. There is a difference between those who conditions. One can be poor in spirit and in a great many other ways, but economic misery is something that cannot be tolerated; and it should not exist in Canada. This is a country that is capable of supporting 200 million people, yet we have only 20 million, many of whom are in desperate economic need I refer to needy mothers, the blind and disabled. I can show you areas in cities like Montreal, Toronto and Quebec where the people live in such poverty that the children of 10, 14, 15 and 16 years of age leave home. I am sure after doing so they never again would like to live in conditions such as they left.

• (5:20 p.m.)

You do not have to go very far; you will find them in the slums that exist in every city in this country. I am glad the minister has included in the bill a provision to try to get social workers in greater number and with greater competence who will find out exactly what are the needs of these people. Perhaps in this way they will be able to obtain some relief. These social workers will be able to help those people feeling the effects of the high cost of living when they are receiving low incomes or perhaps have no income at all. Perhaps one day we will be able to enact a piece of legislation that will at least satisfy the basic needs of the people of this country. I certainly hope so, because if we forget these needs, and the human rights included in the Bill of Rights passed in 1960, our being in this house is completely useless and without reason.

We are here to maintain these privileges, to fight for these rights. I think it is high time we stopped talking politics and promising various things during election campaigns. We put ourselves forward to the people as shining, bright stars and give a glowing over-all picture which, in the back of our minds, very often we have no intention of implementing if we form the government.

The government started a war on poverty. I do not say the whole program is not good, because it does contain some good points. This is a start. But in this connection there are two points that should have been considered right from the beginning. I refer to a

pension being provided to the aged that is sufficient to meet the cost of living today. Also, family allowances should be higher so that parents will have the means with which to send their children to school, dress them decently and feed them properly. These are two factors in our society that must be provided for, namely the children and the aged. They are not on the labour market. perhaps some of the aged have the capital necessary to live on, but they are not on the labour market.

A great many of these people fall within the category of having to depend on public assistance. These people have helped us enough in the past. In many cases they have sacrificed their lives for Canada. I would ask hon. members to think of the pioneers who moved west in this country. They sacrificed themselves and their families in order to build for us a better country in which to live. Therefore it is about time we gave them a little thought. We should see that they have the means with which to live properly, and to make things a little easier for them in their old age.

I do not mean we should do what Mr. Lesage did in the province of Quebec. I should like to remind the Liberals what happened in that province. When the federal government gave the last $10 raise the old age pensioners were receiving $75 in the province of Quebec. Those who lived at home and those who lived in the old folks homes received this amount. Immediately after the federal government gave this increase, those living in their own homes received the additional $10, but those living in the old folks homes were deprived of this $10 because the provincial government took it back. Therefore those living in their own homes received $85 a month while the other group received $75. They are all old people and I do not think there should be this type of discrimination.

I am glad that in this measure the minister is providing a home service for our aged people. In many cases all they have left is a wife or husband, and they are living together. About the most inhuman act you could possibly commit would be to take one away from the other, put one spouse in one corner of the province and the other in another. We should remember that they have lived all their lives together and we should not separate them in this way. Marriage is till death do us part, not till the federal or provincial government decides otherwise. There is a great difference.

[Mr. Langlois (Mégantic).]

With the provision to provide these people with certain help in their homes we will be able to make them a little happier in their last days. I believe that one of the greatest things the government could do to make them much more happy would be to raise the pension to $100 a month for all the old people in this country.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, on the resolution stage of this bill I spoke at some length and discussed the guaranteed annual income. I noted that there was a certain reaction to my remarks, particularly in the Vancouver papers. In that city a conference on welfare was being held. In one newspaper there appeared an article with the dramatic title, "'Don't scuttle aid plan', welfare boss pleads". Then the article says that this man lashed opposition threats to scuttle the plan, unless it included guaranteed minimum incomes for the aged. I do not know whether he was basing his words on my remarks entirely, but if he woud re-read the speech that I made I think he woud find that there was no intention, expressed or otherwise, to scuttle the Canada Assistance Plan. There was only a regret that the government had failed to act promptly and energetically on the Senate report on aging. The speaker quoted in this article was Reuben Baetz, who has already been referred to in this debate. He said, when speaking of the aged people, that their needs can be adequately met under the Canada Assistance Plan if it is implemented in an enlightened way. Then he said:

> Already we have old age security giving the aged $75 a month and soon the age of eligibility will be reduced to 65. We also have the Canada Pension Plan which will help our future aged.
>
> Under the assistance plan, the unmet needs of the aged will be made up to them on an individual basis—so why do we need a fourth measure like guaranteed incomes?

I do not know how much Mr. Baetz was acting as an official apologist for the Liberal government and how much he was expressing his own opinions on this issue, but it seems to me that in spite of what he says there are still reasons why we could do with a guaranteed annual income, and I will come to them a little later. I lack the confidence of Mr. Baetz when he says that the unmet needs of the aged will be made up to them by the Canada Assistance plan.

I have been interested in the last few days in reading articles such as the one which

appeared in the Toronto *Globe and Mail* of Saturday, June 25, which reads in part as follows:

> Elderly Prince Edward Islanders will find an extra $75 in this month's old age pension cheques—

The article goes on to say:

> A $25-monthly increase "has already been implemented, retroactive to April 1", the premier said in an interview.

I think this is a most forward-looking step. The minister was questioned in this regard in the house by the hon. member for Grey-Bruce (Mr. Winkler), who suggested that he relent somewhat in regard to his position on old age security pensions. At that time the minister replied:

> Mr. Speaker, the position taken by the premier of Prince Edward Island is made possible or will be made possible through the provisions of the Canada Assistance Plan.

I would congratulate the minister on his forthrightness.

• (5:30 p.m.)

I think he might give the house a little additional information on this matter. Is the article correct when it implies that all the old age pensioners in Prince Edward Island obtained a $25 increase; was it made retroactive for all of them and is this the pattern that will be set through the Canada Assistance Plan throughout all the provinces? I hope it is so and I hope, although it is not spelled out in the plan, the needs of the old age security pensioners will be met through the plan, as was suggested earlier and as was also suggested during the election campaign in Prince Edward Island.

Many people have been concerned about the gap in time that will occur between the passing of the legislation, and the time needed for consultations with the provinces prior to its actual implementation. However, we wonder whether every province will be able to put all of its old age security pensioners in the category of those in need. I think it would be very much to the advantage of each province to move rapidly in this regard, to receive assistance from the federal government and to have it made retroactive to April 1 across the country. It does strike me as a most humane and enlightened way of implementing the Canada Assistance Plan, as Mr. Baetz suggested in his speech.

I wish to make one or two other points about the need for some sort of guarantee of old age security payments. Several articles have appeared recently in Ontario newspapers concerning people such as David Freeman, 21 years of age, an enterprising cerebral palsy victim whose disabled pension was docked because he sold a $400 magazine article; and Robert Hannah, 24, an ex-soldier crippled for life in a car accident, whose pension was stopped because his sweetheart married him and brought home her $38 a week calendar factory pay. These stories dealt with young people who ran into a less than enlightened treatment of their disability pension.

A case has recently been brought to my attention in my own constituency, and I wrote to the Minister of Veterans Affairs (Mr. Teillet) regarding it. This concerns an old age security pensioner who is not getting his $75 a month war veterans allowance, but only $65 a month because he married very late in life and the district office discovered that owing to the way in which the plan had been administered for some time he had been receiving an overpayment. Although he received a letter from the district office admitting that it must accept responsibility for having made such an overpayment on his war veterans allowance account, he has been assessed the task of repaying that money.

The old age security pension which he is receiving is his only source of income, which makes the repayment very difficult for him. This case illustrates the fact that even the $75 that pensioners are receiving is not a guaranteed sum. I really do not see how a department of the government dealing with old age security pensions can be held responsible for the errors made by another department. I suggest there is a great need for some guarantee against the subjection of old age pensioners to this type of harassment where a mistake has been made by one of the government offices, which then has to be corrected by the old age security branch of the government.

I am also concerned about Mr. Baetz' comment that the plan will work if it is implemented in an enlightened way, because there have been too many examples—and the hon. member for Mégantic (Mr. Langlois) has spoken of some—showing that the present plans have not been administered in a particularly enlightened fashion. In administering his new plan the minister will have to use the same personnel even though he will be augmenting their number. I believe that in some cases the need will arise for some action

similar to an open-heart surgery on a scale greater even than that suggested by the proponents of medicare.

There may be need for a radical revision of the attitude taken toward the problems of people who are receiving social assistance. I think this will be one of the very real challenges to the minister, and one for which only he can be responsible as head of the department, to set a tone that will be followed throughout the department in the administration of the Canada Assistance Plan.

I wish to say that I am not opposed to the plan, as I think I pointed out at the resolution stage of this bill. We in the Social Credit party are not opposed to this plan. As has been pointed out it proposes a great many things that are absolutely essential and which will give to the welfare services of the entire nation a tremendous impetus. However, this plan will need a most careful administration. The provisions I like in particular are those which deal with assistance to people who are close to the level where welfare is necessary, but who, with some help from the welfare departments, can make their own way. I am glad to say that these people are covered by the plan.

As has been suggested in the article which appeared this morning in the *Globe and Mail*, consideration should perhaps be given to extending this plan to cover programs in schools where potential problems may exist. I know, and I am sure every school teacher in the country knows, how frequently problems develop about which nothing can be done until they reach such severity as to demand drastic attention. Once that point is reached, then attention is given when, in fact, earlier action could have prevented the problems from developing in the first place.

I congratulate the minister on his plan and I urge that it be administered in the enlightened fashion which I am sure Mr. Baetz anticipated. I trust we can find in the example from Prince Edward Island a basis on which the older people of this country can hope to receive assistance from this plan.

Mr. Richard Cashin (St. John's West): Mr. Speaker, as I was saying last evening, before we got diverted to other matters, I am pleased at having an opportunity to speak on this particular piece of legislation. I may say, when the events of this day are viewed in the perspective of this entire parliament, that we shall probably come to the conclusion that today we saw a singularly gross example of

partisanship and a greater disregard for the needs of the people of this country than has been shown by any political party for a long time, namely the very surprising and shocking action taken by the New Democratic Party. As we all know, the effect of that amendment would have been to kill this legislation.

• (5:40 p.m.)

Perhaps some impartial observer sitting above parliament and viewing our deliberations might have anticipated or at least might have found it more understandable if such action were taken by the Conservative party, because it may be said that one does not expect Conservative parties to have that same avant garde understanding of the complicated nature of the war on poverty. One would have expected that those who hold forth on idealism, who fill the pages of *Hansard* continually with pleas for the little man in Canada, that those people who have held themselves up as knights in shining armour, as the statesmen who have tried to save parliament, would have rapped the knuckles of the Conservatives if they had done this. It would have been suggested that the Conservatives acted irresponsibly. The two old line parties would have been ridiculed.

What did we see in the day's events? It would have been reprehensible but more understandable if the Conservatives had done this, but they chose not to do so. I do not believe one has to congratulate them for acting in that way; they merely acted in a responsible fashion. Certainly the action taken by this group, and particularly by the individual member who introduced the amendment, I think was shocking. I believe the people of Canada should know an attempt was made to play politics with the widows, the orphans and the other needy people of this country, many of whom form the real hard core of the poor, by the New Democratic Party. I think, Mr. Speaker, if there is any suggestion about partisan politics in parliament during the course of past sessions, it ought to have been made clear to all observers that, although we are all sometimes guilty of this offence, the group in this house most guilty has been the same New Democratic Party.

It is unfortunate that the hon. member who introduced the amendment had to do this, because over the past quarter of a century I suppose he has assumed unto himself the title of defender of the little man. Certainly his

word had a hollow ring and, certainly, at the very best he was no better than the worst insinuations he has made about members on this side on many occasions. I suppose we have to be a little charitable in dealing with this group because they have never had the responsibility of governing this country. The action that they took today indicated they would never really deserve the trust of the people, because heaven knows what they would do with that responsibility. However, all this is conjecture, because it is most unlikely to happen.

I must say that I have followed the debate closely today because I have found it interesting. I have followed many of the observations made about the Canada Assistance Plan outside parliament. I have found that there is perhaps a misunderstanding of the import of this legislation and what it is trying to do, of its vital necessity as a fundamental ingredient of our whole approach to social security. I might say that, surprisingly enough, in reading the speeches in *Hansard,* it seems that the hon. member for Portage-Neepawa (Mr. Enns) and the hon. member for Simcoe East (Mr. Rynard), showed more understanding of this plan than those members of the New Democratic Party who hold themselves out as our saviours.

I was quite shocked and alarmed myself, because it seemed to me that this group which has advocated that we do novel, imaginative things, that we break new ground, who are always planning and always criticizing by saying that we are not moving fast enough, would have welcomed this measure with much more enthusiasm than they have. They have certainly shown their colours by their action today. This misunderstanding has existed, I think, because of a misconception of our whole approach to welfare. Over the last 30 years we have been building in this country a body of laws under the general heading of social security. Those people who were charged with administering these laws, groups such as the Canadian Labour Congress or the Welfare Council, and others who have taken an interest in a more direct way in welfare in this country, have been agitating for a long time that what this country needs is a sound, comprehensive philosophy of social security. In the past, our approach has been a patchwork and this has created many anomalies.

I might say that our approach falls into three separate categories. First, and I am not taking them in order of development, there is our social insurance program such as the Canada Pension Plan and unemployment insurance. This is one aspect of social security. There is another aspect that perhaps may be under the general heading of welfare and that is now disposed of on the basis of a means test. The third approach would be those payments that are made in respect of a category. Within those three prongs of our approach to welfare over the past 30 years, there has been one very basic neglect, and that is particularly in the case of the categorical payments of such as old age pensions and the payment of social assistance on the basis of a means test. What we have been doing really has been to attempt to give to those people a supplementary form of income. We have had a restricted approach because of the nature of the means test. This has happened because in dealing with the categories we have been restricted, because up until now it has been impossible to make a payment in a category that will meet the needs of all those in that category.

I think those who have studied this matter have suggested rightly that what has been needed, if you will, is a philosophy of social security that would embody the principle of prevention and rehabilitation. Up until now, little or no effort has been made in this direction. It is in this area that the Canada Assistance Plan breaks new ground, because not only does it give an opportunity to the provinces to bring all of their related programs into one, but it gives them more flexibility and more scope in dealing with those areas that require attention. There has been a suggestion, even from the enlightened ones in the New Democratic Party, that the means test and the needs test are the same. I have even listened to leading individual newspaper personalities make great pronouncements on this. It would seem from what they have had to say that many of the people who have been talking about this measure are, to say the least, misinformed. There is certainly a distinction, subtle, but a distinction, between the means test and the needs test.

The latter gives those agencies charged with this problem more scope and more flexibility. I think many members of parliament have come across deserving people who could not be helped by any of the existing approaches in our general welfare schemes in Canada. The reason for this has been that the problems with which we were confronted could not be solved by any social insurance

program or could not be solved by any payment to a category such as old age pensioners, and could not be solved by a means test because of the particular nature of the problem. For example, there are many receiving social assistance in various areas of Canada who may have an opportunity from time to time to earn some additional income. I have come across this problem quite often. I find that if one member of the family, say the son of a widow, is able to find employment, his social assistance allowance accordingly is diminished or perhaps cut out, even though the young man needed the income, independent of his mother's income and was hoping to use it in order to get himself a start in life.

• (5:50 p.m.)

There are many such examples of where our approach to social security has failed because we have really lacked a sound and reasoned philosophy of social security that sees the problem in the light of rehabilitation and prevention. I think that these are the main areas which are attractive about the Canada Assistance Plan.

The minister gave us quite a lengthy discourse on the features of the plan. I noticed that one of the earlier speakers today was making reference to children. Again this matter can be covered in the Canada Assistance Plan, and the problem met.

Another feature of this plan which I believe is a major step in our war on poverty is that this plan will support welfare services which are provided as part of community development programs, in so far as these programs can be employed as a means of helping public assistance recipients, or those likely to need assistance, if such provision is not made, to achieve the greatest possible measure of self-support. This is the kind of flexibility we have lacked in our approach, up until this day, to social security.

There are a number of other features of the plan which lend themselves I think to our wholehearted support. Related to the matter I have just discussed are the provisions for work activity programs. I think there are particular areas in Canada, as Mr. Speaker is well aware, where the opportunities for employment, for one reason or another, are not as great as they are generally across Canada. Because of this, many people have been forced to seek social assistance. Some of the people have been able to move from these areas, but one of the things I have found from talking to people in such areas is a genuine desire to work.

[Mr. Cashin.]

There are perhaps many socially useful projects which could be undertaken to give these people the opportunity, in a dignified way, to earn their own income. Perhaps it would also give them the opportunity for some additional schooling or additional training on such projects which could be even more useful to them. This is something that up until now we have not been able to do in this co-ordinated way, and I think that this aspect represents one of the most imaginative features of the plan.

I know for a fact that this particular aspect appeals strongly to the Newfoundland federation of labour which, in their submissions to the provincial government, have advocated this kind of approach for some time. I also know that the provincial government of Newfoundland welcomes the opportunity to participate in this kind of program.

One could go on and talk about many examples of the usefulness of this plan. I think it is natural, when we are discussing assistance to the needy, that the problem of the old age pensioner should be brought up. However, I also think we have to recognize in the development of social security in this country that when the original universal pension was brought in in the early fifties it was not designed to provide complete support. If it was, then it has certainly failed in that particular. At best it was an income supplement.

I suggest, Mr. Speaker, that whatever the figure fixed upon for payments to all individuals in a particular category, there will still exist individuals in that category who will have particular needs and who will require extra assistance. It is this approach to social security that makes this plan stand out from all others, which distinguishes it as unique.

There is another aspect of the plan I should like to mention. I have heard both in parliament and outside of parliament the criticism that one of the weaknesses—politically, if you will—of the plan is that it does not do something immediately and quickly, and in one swift payment, for those who will benefit from the plan. The people who make this suggestion in my view do not understand the problem. Because when we are dealing particularly with the unfortunate people who have been for many generations living off welfare, we are dealing with a complicated problem. There is little likelihood that any

direct payments to all individuals in a particular group would suffice for all their needs. What is required is a more flexible approach.

In 1964 during the course of the budget debate the topic on which I chose to speak was the need in this country for a philosophy of social security, a sound and comprehensive approach to the needs of the people of Canada and the need for a war on poverty. There is no single piece of legislation that has been introduced in the past or, I suppose, is likely to be introduced for some time that can have more significance in dealing with those who are in real and genuine need across Canada than this.

It is because I believe that this plan is so vital to our whole structure of social security, and it is because all of those with whom I have had discussions and who are familiar with our welfare approach in Canada have felt the same, that I was so genuinely shocked that the New Democratic Party, the members of which in some respects are not too different from many of us in many ways, should have picked this particular piece of legislation for what was surely one of the most regrettable and reprehensible acts of partisanship that we have seen in this House of Commons for some time.

In conclusion, Mr. Speaker, I believe that this is an excellent piece of legislation; that it represents a proper philosophy, that there is a difference between "means" and "needs"; and that when this plan is in operation in the various provinces of Canada we will have more equipment and more facilities to deal with the problem of poverty. But this is not a problem that is going to be solved by waving any miracle wand or providing any sort of instant solution. The problem has existed for many years. It is a problem that will only be beaten with imagination and with courage. This kind of plan, one which perhaps appeals to a smaller group than some others, is one that is both imaginative and courageous.

Mr. Winkler: Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: Order. In accordance with an order of the house made this day I do now leave the chair. The house will resume at seven o'clock.

At 6 p.m. the sitting was suspended.

23033—446½

SITTING RESUMED

The house resumed at 7 p.m.

Mr. Eric A. Winkler (Grey-Bruce): I do not rise now in order to prolong unduly the debate in which we find ourselves engaged. However, I am disturbed by the attitude which has been taken toward the question of old age security. I certainly believe that the intention of the minister as outlined in this bill is an honourable one, but I have, however, a fear—and I believe it is justified—that a large part of his proposals may amount to nothing more than window dressing. I say this, bearing in mind the answer the minister gave me some days ago with regard to the total cost of this program, or of that part of it which is to be invoked.

It seems to me the minister must have a good script writer. He certainly made a good job of the speech the hon. gentleman made in the house when he introduced this bill on second reading. It is, indeed, a measure which might be projected as being a highly desirable one. Be this as it may, I agree with the principles enunciated, though regretting very much that the minister and the government have not seen fit to take a different stand with regard to the old age pensioners, and to do so immediately, before this house takes a recess.

Before the dinner hour the hon. member for St. John's West (Mr. Cashin) had the floor. I recall that on another occasion my motion for an increase to $100 for old age security pensioners was talked out in the private members hour by that same hon. member. I wonder where he stands on this question. The message comes through to me that he is one of the people in the Liberal party who is not in favour of any increase for old age pensioners, as opposed to the hon. member for Brantford (Mr. Brown) who made his position clear on this issue in days gone by.

I would ask the same hon. member for St. John's West—and I regret he is not in his place—whether, if he does not favour an increase for old age pensioners, he would be favourably disposed toward the recommendations of the Croll report on aging? Would he be in favour of the amendment which was suggested in that report?

Senator Croll is a member of the Liberal party. Do his opinions not reflect the thinking which goes on today in government circles,

and among those on the back benches opposite who support the government? I believe they do. I believe every supporter of the government today would support the terms of that report, if they searched their consciences and gave an honest expression of opinion. What does that report recommend, in essence? In essence it recommends an increase in old age security payments to $105 a month, immediately—not at some vague date in the future.

It is the government which must bear the responsibility for delay—the government, the minister particularly concerned, and intellectuals over there, like the hon. member for St. John's West who spoke before the dinner hour in such glowing terms about what this whole program might achieve.

As I said, I am in favour of this measure. But how much of it will be implemented right away? What are the necessities to be faced in Canada today? I believe one of the tasks of our democracy, and those who have responsibilities in it, is to serve the needs of the people. I should like the minister to remember this. If he thinks for one moment that the senior citizens of this country find it easy to live on $75 a month, he had better change his thinking. He had better get down to the kitchens of these old people and see how they have to live, just in the same way as the Minister of Agriculture (Mr. Greene) had better take off his stetson, get down into the barn and see what the farmers are thinking. This window-dressing does no good unless our intentions are on the correct lines. There is no use in being a legislator unless you know what the circumstances are.

• (7:10 p.m.)

I am not so naïve in political things as to think that the Minister of National Health and Welfare (Mr. MacEachen) does not know what the needs of senior citizens are. A few days ago, on June 27, I asked the minister a question, which I did not follow up in any way because I wanted to know exactly what he thought, if he were going to follow the example of the premier of Prince Edward Island and, as recorded at page 6872, of *Hansard* the minister replied:

> The position taken by the premier of Prince Edward Island is made possible or will be made possible through the provisions of the Canada Assistance Plan.

If this is the case, and if he agrees with the action taken by the premier of P.E.I., why does not the minister take the same position with regard to the same group of people in the rest of Canada? Or are we to take it at this stage that the government is prepared to move out of the field of old age security, on a partial basis, and let the provinces assume some of the responsibility? If that is the minister's intention then he is abdicating the position of Minister of National Health and Welfare for the Dominion of Canada. There is no question about that in my mind, and the minister will have to answer to the senior citizens for the position he has taken in this regard.

Today the Leader of the Opposition (Mr. Diefenbaker) asked the Prime Minister (Mr. Pearson) if he anticipated taking any action under the old age security program to increase old age pensions to $100 per month. Not only did the Prime Minister say no, but so far as I am concerned he said no in derisive terms, and as a result our senior citizens must know precisely where they stand and how the government feels about them.

Through you, Mr. Speaker, I ask the minister, what about backbenchers in his own party? Through you I am suggesting to him, to the house, and to the whole country that Liberal party members had better beware when they go home during any summer recess. If they are frightened to go home and face their constituents on the basis of their refusal to help our senior citizens, then I can tell them they have allies on this side of the house who will agree with them. All they have to do is recognize the need that exists.

Today I received a letter in the mail which I think is worthy of being put on the record. I know the minister and all other members of the house received this letter. It is from the Senior Women's Committee for Pension Increase, and emanates from Madison avenue in Toronto. Actually it is a copy of a letter addressed to Hon. A. J. MacEachen and dated June 27.

An hon. Member: Hon. Allan MacEachen?

Mr. Winkler: I refer also to the former minister from the province of P.E.I. He knew what the score was. He said that when the Conservative party went out on the hustings during the last election and promised an old age pension of $100 per month, it was that which caused his defeat.

Our record is clear in this regard. Right after this session of parliament was convened we moved to demand from the government

that it pay senior citizens $100 per month. But what happened? The Liberals stood up, row after row of them, and voted against us. Further, they will do that again if need be.

However, the warning is sharp and clear. Some of the government's backbenchers will no longer support it on this position. The minister had better take cognizance of this fact. With the increased cost of living that is abroad in this country today, and the government's failure to recognize the needs of the people, though it spends millions of dollars in other fields, this all indicates that the government no longer has the interests of the people at heart.

I hope that the Minister of National Health and Welfare will take note of these words and act accordingly. We will do everything in our power to assist him if he introduces legislation to increase the old age pension. Our record is clear on that. We stood up and voted for it at the beginning of this session. At innumerable times we have pressed the government to come forward with such legislation. I myself moved a motion during private members hour pleading with the government to do this. I did not do so for any political purpose, and I am not doing so for any political purpose tonight. As I said earlier, if we recognize the basis of our democratic responsibilities in the House of Commons we will act on this, and act on it at an early date. The minister has my assurance that the members of this party will support him, and support him quickly. He can introduce legislation any time he wishes, and by the way we act we will show that we agree with it.

I shall now quote the letter to which I referred earlier. It reads:

Thank you for your letter of June 21st in answer to our telegram.

You say "you know of no basis for the statement that the government has rejected the recommendations of the Senate committee on aging." It was reported in the *Globe and Mail* of recent date that, "the government studied the proposal of the Senate committee on aging to guarantee a minimum income of $1,260 a year for single person and $2,220 for married couple but decided it was administratively unworkable."

But the Prime Minister is not prepared to consider this, and the government does not want to have anything to do with it, The Croll report recommended an additional $5, making a total of $105, but at this stage we would settle for the $100. The letter continues:

In your address at the Canadian Conference on Social Welfare held in Vancouver you are reported as saying "the problems of poverty can't be wiped out over night...the keys are education and rehabilitation." How would you educate and rehabilitate people over 69 years of age? What sort of education do they need other than how to live without food and clothing?

That is a very good question, Mr. Speaker—a very good question, Mr. Minister.

The Canadian Welfare Council report states that study was needed first of the priority to be given the economic needs of the aged and the rest of the population. Some of the welfare workers told our committee that if it weren't for the people on welfare they wouldn't have a job. Apparently the government is trying to bring the senior citizens under welfare which would make them charity cases.

This is the difference between a means and a needs test, although to my mind they are precisely the same thing.

You spoke of the shortage of welfare workers and said, "The Canada Assistance Plan contained provision for federal contribution toward the cost of staff training." This would have to be a permanent school and when the cost of training and the salaries of the army of investigators needed were paid, the cost would probably be more than the increase would be.

This training plan is as unrealistic and as sensible as the student loan. We know of both men and women who took courses for which they were paid $30 a week and they had no intention of using the training.

The Senate committee plan would be very simple. The government has the list of old age pensioners. A simple income tax form could be mailed out, to be returned immediately and those with less than the guaranteed income would get an increase. This could be implemented in July of this year.

We wish to emphasize that most of the trouble and illness among the elderly people would disappear if they had no worry, if their food, clothing, shelter, medicine and money for recreation were assured.

We understand there is trouble in the Liberal party over this.

And I understand the same thing.

Almost every family in Canada has one or more senior citizens and the resentment towards the discrimination against them is growing fast.

That is a very true statement, Mr. Speaker.

People do not understand the stand the government has taken because they know it is now an increase is needed, not ten years from now.

We know you have influence in the cabinet and we urge you not to allow this matter to be held over until fall.

Even though the matter is this important, we all heard the Prime Minister's answer today. Not only will it be held over till fall, but nothing may be done at all.

• (7:20 p.m.)

The letter ends with these words:

What the government does now before it adjourns will determine our next step.

That may seem to be a little political pressure, but they do not mean that. I think the need is there and it is very clear. There may be other portions of the letter with which I do not agree, but I think it explains the position of the senior citizens. I agree almost entirely with the terms of this letter. On June 14 I also spoke in this house in regard to the same matter. I placed on the record some figures which were made available to me by departmental officials in respect of the sum of money in the old age security fund and the amount anticipated to be in the fund by the end of the next fiscal year. That total sum is $445 million. I suggest, Mr. Speaker, that the moneys in this fund deserve to be protected, but they also deserve to be used for the benefit of the people for which the fund was set up.

I suggest to you that, on the basis of the growth of this fund, almost the whole problem with which the minister is faced, and which is not great financially to the federal government, could be financed or at least started out of this fund. I believe the provinces would be inclined to agree to a partial responsibility in this particular area. The important factor is that everybody realizes the need—everybody except the government. The government has said no from last January until today, when they have said it more emphatically than ever before. The old age security recipients in Canada today can expect less from this government than they could six months ago. The government wavered a little then, but today it is no. When the Prime Minister says no, as he did today, you can be sure that row after row of government members will stand up and support this stand, even though they may know it is wrong. I could mention persons such as the hon. member for Norfolk (Mr. Roxburgh), if he were here. He knows the need. He recognizes the need of other people in this country, and that is all the minister has to do this evening.

Once again let me tell you on behalf of the Conservative party that our position is clear. Last January and ever since we have stood up in this house and supported these senior citizens. The need is greater now than then and I humbly ask the minister to take up his responsibility in this regard and act at a very early date.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, if there are members in this house who would like to see this bill killed or who would oppose it, I am not one of them. I am inclined neither to attack the bill nor to brush it aside as inconsequential. Ever since there was word of this bill I have made it my business to find out all I could about the principles underlying it. I have made it my business to talk to social workers; I have read practically everything I could get my hands on. I have read the information the minister has sent us and I have read in the newspapers what he has said. I went to Vancouver last week where I attended the social work conference of the Canadian Social Council. I did this for the express purpose of listening to the different government officials outline the social legislation which has come before this house this session. I also wished to hear the welfare people, including the experts from Great Britain and the United States discuss this and related matters. I have made what study I was able to of this bill.

During the week I was in Vancouver I spoke with social workers from all across Canada, including the two gentlemen who were mentioned last night as being controversial figures in this debate. I feel that the social workers in this country favour the bill. They want it, and they believe it will give them a somewhat wider scope than they have had before. I want to say, however, that I think it should be made perfectly clear that this bill is not a great new boon for social security. As a matter of fact in discussing this welfare question before the welfare council of Ottawa and other places, the minister himself has stated, and I quote his words, "The plan does not involve any great new program". He went on to show that what this bill does is to put under one heading four programs of federal-provincial assistance. These are the programs which concern the aged, the blind, the disabled and the unemployed; these have been combined into one single program with the advantages which are to be gained from co-ordination. Certain new features also have been added to them.

I think we should start out with a realization that this bill is not going to be the be-all and end-all of the ills with which the social worker is faced, or that it is going to end poverty in Canada by itself or do anything else like that. It is a housekeeping measure, a tidying-up measure. Although there are several reasons, this is the first reason I think the bill is an advance over what we have had. I am not going to say the bill is all that we desire. It is not; but it is an advance over

what we have had. First of all, it co-ordinates these already existing systems. Second, I think it is going to help provide new services along some lines which are vitally necessary in this country. I am not going to go in detail into the new services, but there are such things as child care, homemaker services, provision for nursing in the home, and other forms of health care which are badly needed and which the people in the field realize are badly needed. In the third place, I think this legislation will give social workers more scope in preventive and rehabilitative work than they have had heretofore. Instead of having to wait until the families and individuals are in a very bad way they will be able to step in at an early stage of distress and difficulty.

The social workers will have much more scope to do preventive work and also to pioneer along new lines of rehabilitation. In the fourth place, I think undoubtedly this legislation will help secure more and more highly trained social workers. This is important in an age like ours, where training is very necessary. In the last place, I think it is going to be very valuable because it will include the Indians under the same provisions as other people. I think this is a very essential and long overdue form of restitution which we are making to some of the native people in this country.

Having said this, I should like to say that for what the bill is, I welcome it; I think it is an improvement. However, this bill is not doing the whole job which needs to be done at this time. It is in going beyond that that I wish to make my criticism. Mind you, the social workers have very serious reservations. More than one of those with whom I spoke has told me this.

• (7:30 p.m.)

The new legislation is going to create a great deal of confusion, and as a result of complete jurisdiction being given to provincial governments there will be a lot of hurdles to meet. The provincial governments are now going to be responsible for deciding the definition of needs. A good many social workers are worried about this situation, and how this will be worked out in a number of provinces, including my own province. Not only is the interpretation of the needs provision going to be dependent upon provincial governments, it will be dependent upon the ability, discretion and farsightedness of the individual social worker. Many social workers have told me that they are sure it will be just as hard for individuals to get what they require under this needs test as it was under the means test. Social workers are going to be faced with difficulties at both the local and provincial levels, and this is something that should be considered carefully.

I should now like to outline my real criticism, because this is a criticism I made earlier in connection with another measure. The downfall of this government will not relate so much to its sins of commission as to its sins of omission. This bill makes no provision whatsoever to look after the retired people of this country on an equitable or comparable basis in relation to—and do not start writing now, Mr. Minister, because I have not finished my sentence. This bill does nothing on a comparable basis for the older people of this country. I know there are references in this bill to that category of citizen, but those references are included with references to indigents. There is no provision in this bill for the older people on a basis of right. Surely they are entitled to at least that much.

Last night and today the minister took refuge, when dealing with points of order, in the suggestion that this bill was not the means by which old age pensions should be increased to $100 per month beginning at age 65 without a means test. He said this legislation was not the measure within which to accomplish that.

Since this session convened in January we have been waiting for the introduction of a measure which would increase the old age pensions to $100 and reduce the eligible age to 65. However, as far back as January 20, as pointed out by hon. members to my right, the government indicated its opposition by voting against a proposal which would increase old age pensions to $100 a month at age 65 without a means test. Let me make it abundantly clear that at that time the government did not make it definite that it intended to do nothing for the senior citizens of this country before the end of this session. This government has kept the older people of this country dangling on the hook, waiting for what they believed this government was going to do to increase their standard of living.

An hon. Member: They are still waiting.

Mrs. MacInnis (Vancouver-Kingsway): Yes, they are still waiting. I was extremely shocked today when I observed the vigour and ability with which two ministers of the crown jumped to their feet to assist the Speaker to find grounds upon which—

Mr. Speaker: Order, please. I am sure the hon. member suspects that her remarks are not in order. A ruling was made by the Chair and I do not think hon. members should argue that ruling at this time.

Mrs. MacInnis (Vancouver-Kingsway): I am not arguing your ruling, Mr. Speaker, I am just pointing out the efficiency with which those ministers assisted the Chair. I am not criticizing your ruling and I am quite sure that it was a good one, but those hon. gentlemen did not need to show so much zeal in helping to have the motion ruled out of order. They should have left that chore to other members.

The point I am trying to make is that the older people of this country trusted this government because it said it intended to increase the old age security pension. I was astonished when the minister said yesterday quite clearly that nothing of this kind was to be done this session. The Prime Minister (Mr. Pearson) said today very definitely that nothing would be done. My colleague the hon. member for Winnipeg North Centre (Mr. Knowles) made one last attempt to do something for these people by proposing an amendment to this bill, simply because there is apparently no other way of forcing the government to do something.

During this session the government has thrown up barriers to any increase in old age pensions and now it has banged, bolted and barred the door in the face of all the old people of this country. This government has now eliminated any hope that they will get an increase, and hope is all that many of them have been living on for the last while. All hope of action this session has been removed, and removed by the very individual who should have been the guardian of the welfare of the older citizen. I refer to the Minister of National Health and Welfare (Mr. MacEachen).

This whole situation is not new to me. I remember the session of 1926 when, over the protests of a great many people in this country, including members of the other place who have now had a change of heart, the first piece of social security legislation was placed on the federal statute books. At that time pensions of $20 a month for individuals aged 70 and over were introduced on a means test. I was not here on the floor at that time, but up in the gallery. A handful of farmers and labour people led by J. S. Woodsworth succeeded in forcing a reluctant government headed by the late Mackenzie King into passing that legislation.

It may be hard to believe, but I am sure that if hon. members read *Hansard* of some years ago they will find that the leader of the opposition in 1926 said that this measure was forced upon a reluctant government by the then hon. member for Winnipeg North Centre, J. S. Woodsworth, at a time when the government and the opposition were nicely balanced. The older people who had been living with indignity felt that for the first time, when this legislation was passed they did not have to crawl for charity. I remember those days when many old people had to take their children to court and have them declared as being unable to support them, before being able to obtain charity from the municipalities. I remember those days very well, and the fighting years of the 1930's and the 1940's when step by step by step old age pensions were increased, and the means test gradually eliminated. I remember the long fight which ended with the adoption of the universal old age pension of $40 per month at age 70. This happened in 1951. At that time the means test was eliminated.

In 1957 the old age pension was increased to $46 and then to $55. There were two increases that year, but they were too little and too late. In 1962 the pension was increased to $65, and in 1963 to $75. What has happened to the cost of living in the last 12 years? It has gone up nearly 6 per cent, yet there has been nothing done to improve the old age security pension during those intervening years.

An hon. Member: Did you say 12 years?

Mrs. MacInnis (Vancouver-Kingsway): I am afraid I am a long way out in my calculation. Perhaps someone over there can give me the right answer because I am sure someone there has it.

Mr. MacInnis (Cape Breton South): That is a challenge for you.

• (7:40 p.m.)

Mrs. MacInnis (Vancouver-Kingsway): I am sorry; I should have said 6 per cent in the last 12 months. What it is in the last 12 years I hardly dare hazard a guess. The Senate committee on aging has gone into this matter thoroughly. I shall not go into all the recommendations of that committee but I will draw

to the attention of the government this sentence in their report:

> Any suggestion that these older people, when the $75 pension is not sufficient, should be expected to depend for supplementation on public assistance after a needs test is utterly unacceptable.

This is what the Senate committee on aging has set forth, and it is in line with what has been the practice in this country with the old age security pension. Yet what the minister is proposing as the only solution for the senior citizens of this country is precisely this: To subject them to a needs test and then put them on social assistance.

I suggest that it is no answer for the minister to say that, no matter if they do have an increase in the old age security pension, they will still need the supplementary benefits under the Canada Assistance Plan. I will read what the Senate has to say on that, too, because after what we have seen today I do not want to leave out anything that is relevant:

> Public assistance should, of course, be available to them,—

That is to the senior citizens.

> —as to others in the population, to meet residual needs and to deal with special circumstances, but it is the committee's conviction that main reliance for meeting their ordinary requirements should be on benefits to which they are entitled as a matter of right and that the proportion of older people requiring needs-tested supplementation should be very small at all times.

That is exactly what my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) said last night, that if we needed the Canada Assistance Plan for those on old age security pension, it should be for those needs that are residual, whereas the minister is proposing to make the Canada Assistance Plan the actual supplement to their pension. In other words, he is proposing, after the old people have had this long hard fight waged for them to receive their pension as of right, instead of as charity, to pitchfork them into the ranks of the indigent, those people on social assistance, whom we are trying desperately to get out of that category. He is adding to the category of poverty the one category that had escaped to the dignity of the old age pension.

We say this is not good enough. The Senate committee on aging pointed out a way in which this problem could and should be solved. As a matter of fact the Senate committee suggested that we should have a guaranteed income for those on old age security pension. This has been rejected by the government. Perhaps the minister will tell me that it has not been rejected by the government, but we have been waiting to see it appear on the order paper this session. The old people are the population group in this country that cannot wait. The young ones may have some chance of survival if they can hang out long enough for enough pressure to be built up for the government to see the error of its ways, and come through to help them. But the old people cannot wait. That is why we have to look after their needs before we rise for the summer recess.

The Senate committee on aging proposed that we have a minimum income in this country and that we begin with the recipients of the old age security pension. I should like to ask the minister if he would be good enough to send me very soon the complete text of the speech he made at the opening of the welfare conference in Vancouver in the Queen Elizabeth theatre on June 20, because I have seen only the excerpts that he has sent around. I will swear on a stack of almost any book you care to provide that I heard the minister in that speech make reference to the desirability and need of exploring a guaranteed minimum income in this country.

I would very much like to find out whether it is in the text. I will not say categorically that he did say this, but unless my ears have gone back on me completely that is what he said in the speech. I remember that there was great applause at that point, because the welfare and social workers believe that the Senate is talking good sense when it suggests that we have a minimum guaranteed income for those on old age security in this country.

The government is evidently rejecting this proposal. I have heard government officials say, in private conversation at least, that a guaranteed minimum income would be too difficult to work out administratively. One of the most interesting addresses we had at the Canadian Welfare Conference in Vancouver was that of Professor Richard Titmuss of the London School of Economics. He told us that there is now going through the British House of Commons a piece of social security legislation which in its outlines is very like the guaranteed minimum income which has been proposed by the Senate committee on aging.

It is a piece of legislation under which they calculate the income of those people on social assistance, that of the old age pensioners and those in other categories of social need. They calculate the income of these people—incidentally, they do not take into consideration

the home in which they live—and take account of the taxes they have to pay. They permit an allowance whereby people can earn extra money, and then they calculate an allowance that people who are receiving various forms of state assistance, including pensions, are entitled to receive. At regular intervals a cheque is sent out to these people and at the end of the year they are asked whether their status has changed.

If their status has not changed, they continue to receive the cheque. What is the cheque? It is the difference between what these people are receiving and what the government considers to be a suitable guaranteed minimum income. That is the sort of thing we should be doing in Canada if our resources permit us to do it. If our resources do not permit us to do it, I suggest that the government take another look at its social priorities, because we ought to be able to cut expenditures in quite a few places and increase the pension received by our elderly people, those people who have built this country.

The minister spoke of the needs test enabling needs to be met with dignity and impartiality. Maybe they will be met with the impartiality that people show in meting out charity; but no dignity whatever is possible when assistance is received in the form of charity and not as of right. These old people have the right to receive what they have come to believe is their birthright, namely an adequate allowance without any questions being asked, an allowance as of right.

My criticism is not of the bill directly, so far as it goes. It is that nothing is provided, except what is in the bill, for senior citizens of this country. In my view this is what makes it absolutely necessary that we make one more try to achieve our purpose. If I could only describe what the older people in this country are up against I would give a great deal. I cannot do it. But I can read to the house two or three communications that I have received from Vancouver. I did not receive them last winter, or last week, but today. I have here a letter from the Federated Legislative Council of the Elder Citizens Associations of British Columbia in my own city of Vancouver, from which I quote the following:

• (7:50 p.m.)

We are aware of the fact that the Canada Pension Plan has nothing in it for those already retired; also that the suggested Canada Assistance Act holds little help for these people. We stress the need for immediate action in this regard because there are many who have already retired, and these are the people who need this now, not later.

We note that untold millions are being used for commissions of inquiry and increased government salaries in the higher brackets; also, that money is being sent overseas to eliminate poverty. At the same time many retired Canadians on a fixed income, founders of Canada, are actually in need.

Now I wish to read to you two communications which came to me this morning from people in my riding of Vancouver-Kingsway. The first one reads as follows:

About pensions? What happened to Mr. Pearson's promise of $125 for the pensioners and help the poor program? Has it changed to pity the rich, the poor can beg? It looks like everybody won their raise in wages. The MP's and doctors just give themselves a raise without any argument. But the pensioner has to take what he gets and like it. Nearly all of them need a lot more to live on now. When the old age pensioners were growing up, wages were small and we did not have a chance to save much after paying taxes, raising families and putting children through school. Especially the ones that served in two world wars. You did not get very rich on $1.10 a day that we got in the first war. What is the government going to do about the high cost of low living? When the men get a raise it is for two or three years. But prices go up on everything every week through the year . . . Why should old age pensioners have to pay school taxes on top of other taxes when they have already paid to put their children through school? You won't get very fat off $75 per month after you pay your taxes, food, clothing, lights, gas, medical expenses, etc.

It happens my wife also has a pension and between us we get $1,800. In a country as rich as Canada $75 per month is a disgrace. Money paid in pensions is not wasted. It goes in circulation and makes more business. But money—millions of it is wasted making test planes and jeeps for army and air force—then the whole thing is junked . . . Something is wrong somewhere . . . With all the hundreds of millions to be spent on new construction across Canada, there must be a few extra dollars to help the pensioners catch up on the high cost of living.

I wish to suggest to you it is all very well to smile complacently or to think of going home for a holiday. These are flesh and blood people; they cannot eat averages. Other people may be making more on an average than they are, but it is our job to look after them.

Here is another letter which I will read to you. It says:

I am 84 years old and since last January when I got a heart stroke I was still working part-time as an expert gardener, a hobby of mine that I made my trade when I was laid off at the Canadian White Pine at 66. Having raised four children at that time, I had $50 in the bank, no debts and my little house paid for. I had to wait four years for the $40 pension at that time and my wife is seven years younger than I am. Still we have managed and made some saving.

These are not indigents or social assistance cases. These are people who have been robbed through no fault of their own by the continuous increase in the cost of living. The letter goes on to say:

> When I was 70 I inquired if I may get the health insurance only, but I was told that I will be obliged to take the pension also and stop working, so I turned it down and fortunately that medicare came just handy a few months before my stroke. All these personal details are only to help you to state the case of many thousands who are penalized for working hard and being thrifty and I have a few thousand dollars savings at the bank that will take care of us to the end, but it is a matter of principle and justice.
>
> I know the actual game just as well as yourself. The raise of the pension to $100 is fully justified and imperative right now for one-third of the pensioners in the low bracket and will cost $100 million. There exists at this time a real majority for it . . . They use the bogey of inflation and wait their own sweet time at the next election two or three years from now to buy enough votes by raising the pension to everybody and it is well known that no inflation ever occurs before an election—it is only after.

I will now suggest to you that people of this calibre, people who have been self-respecting, self-sustaining and thrifty, do not merit the humiliation and indignity of being dumped back into a means or a needs test. These are the people to whom we should give something very much better at this time.

I offer no apologies for taking the time of the house tonight because this is one of the purposes for which I came down here. This is one of the reasons for which I was sent down from Vancouver-Kingsway. The people there feel they have been getting the short end of the stick, and there are a great many old age pensioners at that short end. The very least we can do is to give them $100 a month at the age of 65 without requiring a means test.

The old age pensioners are the most defenceless of all people and the ones who have the least time to waste. We remember that it was a Liberal government who once before waited too long and then gave too little and too late. We saw the same sort of death-bed repentance exercised in Prince Edward Island by the Conservative government, or shall we call it the former government, I do not know which. This again was a case of too little and too late. We have been fighting for this measure for a long time and I do not aspire to a halo in calling for immediate action to be taken. It is part of our belief that those people who were the pioneers of this country should be able to live in dignity and peace until the end of their days. We cannot agree to adjourning parliament until something is done for them. We are now preparing to celebrate Canada's 99th birthday with pomp, ceremony, fanfare and a brand new flag while the pensioners, some of whom have also reached the age of 99, suffer hunger, penury and loss of dignity.

Let me say emphatically that death-bed repentance is better than no repentance at all. We have still a few hours left before recessing and if the government wishes the house to wait so that they can draft legislation in respect of old age pensioners, let me tell them every party in this house will cheerfully wait for such legislation. I also wish to suggest that although death-bed repentance may not get you into heaven, it might save you quite a long term in purgatory.

• (8:00 p.m.)

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, half a century ago George Bernard Shaw wrote:

> The evil that must be fought is not sin, suffering, greed, it is neither monopolization, ignorance, alchoholism, war, nor plague, it is simply poverty.

Needless to say then that the bill under consideration is much to my liking. Even though it is not complete and does not meet all our wishes, I feel it will bring to the people something they need. As reported on page 6921 of *Hansard*, the minister said that approximately one million persons may benefit from this legislation. This is what he said:

> These include some 85,000 persons still covered under the old age assistance program, 8,000 receiving blindness allowances and 55,000 receiving disabled persons allowances. Also included are 200,000 needy mothers with dependent children, 600,000 other recipients of assistance, the cost of whose assistance now is shared under the Unemployment Assistance Act, and 50,000 children in the care of child welfare authorities.

According to these figures, this makes almost one million persons, and the minister is presenting a piece of legislation designed to spend $85 million more for them. All persons mentioned by the minister are precisely those who are living in poverty, in near destitution.

So, with the figures indicated by the minister, we realize, the present government realizes, and those who rose to speak in the house as well as those who have not spoken yet realize that, all over Canada, there is suffering, that there is poverty in this country. There is no need to look for it in Africa, Asia or elsewhere. We have suffering here, at home. It is high time that we should become

aware of it and launch the war against that suffering, against that poverty.

But one fact remains and I wonder if we have considered in depth why we have so much poverty in Canada. We are launching a war on poverty, on suffering, but unless we stop the machine that produces the mistakes, unless we eliminate the system that brings on such an atmosphere of poverty in this country, we will be marking time, and we will always have to start all over again. It reminds me of a dog running around in circles, after its own tail. It will never reach it and the first thing that happens, the animal is panting and forced to stop. Mr. Speaker, I wonder if the government is not in the same situation.

Now, the figures quoted by the minister in his speech are completely different from those given by various bodies that have conducted some research on suffering, on the state of poverty in Canada.

Mr. Speaker, I have here a report which appeared in *L'Action* of February 19, 1965—that is not so long ago—and which states:

—the survey on poverty in the Montreal area carried out by Mr. Emile Gosselin for the Montreal Labour Council.

Not in Canada, not in the province of Quebec, but in the Montreal area. In this report, some figures are quoted which are somewhat different from those quoted by the minister a while ago, with regard to poverty and misery. I quote:

In the city of Montreal, 423,418 persons, or 38 per cent of the total population, and, in the metropolitan area, 706,880 persons, or 33 per cent of the population, living in misery, in poverty or in want. Another 17 per cent of the total population of the metropolitan area live a precarious or marginal existence. Therefore, a total of 1,032,000 persons, or 48.6 per cent, of the metropolitan area population live in misery, poverty, want or in a marginal state.

Thus, Mr. Speaker, according to a study carried out by those organizations, metropolitan Montreal alone numbers more than one million people who suffer from poverty, misery or want.

Then, I do think that the $85 million proposed by the minister is clearly not enough to do away with the existing evil, not only in metropolitan Montreal or the province of Quebec but throughout Canada.

Another interesting point is made a little later on in the article. Further along it is determined that there are:

Four levels of poverty. On the basis of research made on this question in Canada and the United States, Professor Gosselin established, through four degrees of want, the following levels: any family of four people with a total annual income of less than $2,000 and any person living with a family whose annual income is below $1,000 lives in destitution; families of four with an annual income of less than $3,000 and single people earning less than $1,500 a year live in poverty; families whose annual income is below $4,000 and single people earning less than $2,000 live in hardship; families earning less than $5,000 and single people earning less than $2,500 a year live in a Marginal State.

Mr. Speaker, as written in this article published in *L'Action* under *"Présence chrétienne"*:

Now that we are becoming aware that poverty does not only exist in underdeveloped countries and that there are not merely a few exceptional cases in our own country, now that we know the situation in statistics, let us try to understand the human factor, let us share their lot and their suffering. That is the next step: to know poverty not only in one's mind but in one's body.

Mr. Speaker, I think that if we came more often down to the level of the poor, saw more of them and tried to know them, lived with them to understand their situation, and above all if we went to them to find suggestions on how to help them, then, Mr. Speaker, we could bring more effective and actual solutions to the evil situation which now prevails in our country, supposedly one of the richest in the world.

• (8:10 p.m.)

Mr. Speaker, it is inconceivable that in the 20th century, in this century of progress and automation, after a 100 years of confederation in Canada, after a 100 years of administration by traditional political parties, that we should have to take steps such as this one, because there is too much misery and poverty in Canada. And we neglect to find the true solutions to those problems.

Yet, Mr. Speaker, I found in the remarks of the Minister of National Health and Welfare some points which gave me some satisfaction. For instance, as far as disability is concerned, I was happy to hear that the severe medical examination which a disabled person must now undergo to get a pension has been abolished. As a matter of fact, after such an examination, he finds that he must be at death's door, in short must be fully disabled, unable to climb stairs, to eat without help, before getting a pension. When he has reached that stage, he is considered disabled. I am happy to hear that this method of establishing the disability of a person will disappear and that when an individual is no

longer able to meet his needs through his work, his income, he will then be considered disabled.

I think that will sensibly improve the legislation and will benefit people struck by any disability, victims of accidents or any other things that may happen during a lifetime of work.

The minister mentioned another point which will also be in the bill and to which I would like to call the attention of the house, namely retarded children. We have to deplore today the fact that not enough attention is paid to that group of our society. We lack institutions to welcome those children and not a week goes by without my getting requests for help or information to find out how to go about finding a place for retarded children, children who are not completely disabled but to whom more hope could be given, in short a better life.

We notice that there are too few institutions like that in Canada, in the province of Quebec and in our localities. Therefore, I think that building institutions, schools where such children could be adapted to a normal life would be a great step in that fight against the misery which is the lot of people, children who are not to blame for what is happening to them, but who have to suffer. It is our responsibility to help them find a better life.

Mr. Speaker, another point was brought up in the course of the present debate which I too would like to stress and which has been one of the main causes of the great lengths to which the debate seems to be stretching. I am thinking of old age security pension. I do not want to dwell too long on it, but I feel that the topic is rather interesting, especially to those who are well on in years or who will soon be.

Today the government refuses to increase the old age pension, in short to adjust it to the cost of living index; it turns a deaf ear. Yet, I think that though the ministers have not taken the stand officially, though they have not spoken in favour of increasing old age pensions in line with the cost of living index, or according to the recommendations of the Senate committee on aging, I feel that they do agree the pension should be increased but do not dare say so; they do not dare take the means to do so.

A few weeks ago the present Minister of Trade and Commerce (Mr. Winters) said the following before the Canadian Club in Toronto:

> It was difficult for the Liberal members to vote against the recent proposal of the opposition providing to increase the old age pension from the present $75 a month to $100 a month.

The minister was referring to the amendment moved by the opposition to increase the old age pension to $100 a month.

And the minister added:

> We only wish we could have done so, but in view of the fact that it would have cost $800 million a year, and also that, under the present circumstances, it is difficult to find enough revenue to cover our present rate of expenditures, this additional amount would have exerted tension on our economy which would have to be curbed.

Mr. Speaker, government members do not dare to express their opinion. They would like to but they do not dare, because it would cost, in their opinion—it is a questionable figure—$800 million a year.

But perhaps at the end of the evening, tomorrow or, at least in the fall, when the Bank Act will be considered, the same members will speak bombastically to obtain that the manufacturers, the "money-makers", the people who do not need it, and this is not very urgent, in my opinion, better capital gains, higher interests for their investments. For those people, you will hear fiery speeches, so that those who control the economic stream of the nation may have a larger income. But for our senior citizens, that has no importance. They do not dare; it will cost too much.

When money is needed to wage war, to alleviate poverty in Asia, Africa, everywhere, to make gifts of all sorts, then nothing is neglected; it is easy to find. But to help those who have been deprived for many years by taxes of all sorts, to provide them not with a luxurious but a decent retirement, at least, then they do not dare, they cannot find the necessary revenue.

Mr. Speaker, all the people of a certain age who are reduced to want today—I do not speak of those who are disabled, as a result of sickness or accident, but of our senior citizens —are in that state because of the maladministration of our old political parties, because of a system which should never have existed in our country. They have been stripped, during all their working life, of their revenue and their salary by excessive taxes. They have been stripped and, as a result, they got poor and, today, help is given to them piecemeal.

Well, Mr. Speaker, I think the problem of poverty in Canada should be studied thoroughly once again. It should be reconsidered and a solution should be found, not only to alleviate poverty, but also to check its causes. That is the task to which we must apply ourselves.

Mr. Speaker, I am convinced that the principal cause of that situation is in the present Bank Act and that is what we shall grapple with, so as to find a means to improve the present situation; you will then see that the result will be better and we will not have to come up with bills like the one now before us.

[*English*]

Mr. Max Saltsman (Waterloo South): Mr. Speaker, in listening to the speech of the hon. member for St. John's West (Mr. Cashin), for whom I have the greatest admiration, I felt that perhaps he should have subtitled it, "Never look a gift horse in the mouth". I think that the particular gift horse called the Canada Assistance Plan needs considerable examination, and the longer one looks at it the more disturbing this kind of legislation becomes. Many of the reasons for the dissatisfaction with this legislation have been indicated by my colleagues and by members of other parties, although the plan has some advantages.

I was interested to see how the plan would be applied and would affect those people who are currently having difficulties and require assistance. Like all members of parliament I get letters asking for assistance which perhaps comes within the provincial field. Like all members of parliament who find it difficult to make excuses or to appear to be passing the buck, I get involved in these matters and I am given the opportunity of seeing some of the cases that come before provincial governments and some of the problems with which they have to deal.

This morning I went through my files and took out just a few of the letters that have come to my attention in order to make an analysis of these problems, based on my personal experience, to see in just what way the Canada Assistance Plan is going to be of help and whether it is the best way of providing assistance to those people who require help. A very interesting fact arises from an examination of these letters, and I suggest to all hon. members on the government side that they take a look at the letters they have received to see whether their experience is not similar to mine. I should like to read some of the letters I have received and perhaps draw some conclusions from the problems outlined in these letters as to what is the best approach to the personal problems of many of the people of this country.

The first one begins in this way:

> I am writing this letter to let you know I am now 66 years old. On September 9 I will be 67 years old and we get the old age pension for one—

• (8:20 p.m.)

This family, Mr. Speaker, needs assistance very badly. I am not going into all the details of the letter. The husband's asthma is very bad and he will be in hospital. The key phrase in the letter is "66 years old". The implication of this and of many other letters I have received—and I will be repeating this point over and over again—is that if there were an old age pension of $100 a month at age 65 much of the problem evidenced in this letter will disappear. There is no need for provincial assistance here. There is no need for a needs test or a means test or anything else. This situation can be dealt with effectively by means of an adequate old age pension. Another letter says:

> I wonder if you can intercede to get me a little more old age pension as I am finding it very hard to keep up with doctor bills and the drugs which are needed. Also, we have to keep up our home as well.

Here again, an increased old age pension would solve this difficulty. Medicare, which we are now awaiting, would take care of another aspect of this situation. Thus, two programs within the jurisdiction of the federal government would be sufficient to meet the needs in this field.

I could go on to show that in letter after letter the key words, drugs, sickness, illness, old age, keep appearing. Yet the government is proposing that we accept a short-term measure designed to fill in the interstices of a welfare program and adopt it as a solution to welfare needs.

Either the government does not understand the nature of what is happening or else it refuses to face realities. It is my opinion that a great many of the welfare cases now being handled by the provinces would disappear if adequate old age pensions were paid and a suitable medicare program introduced. If we have a choice in this country, and I believe we do, why do we propose legislation of the kind before us when legislation of he kind to which I have referred is obviously called for? It is true there will probably always be a need for supplementary

legislation in this field to deal with cases which do not fall within general categories, but surely we should not be asked to enact legislation such as this when the need for an increase in old age pensions throughout the country is so obvious.

Like many other members of the house I am concerned about the prestige of parliament. I am concerned about the loyalty of the people of Canada to their federal government. The other night I listened with interest to an amendment proposed by an hon. member on the government side and supported by the hon. member for St. John's West as a means by which government prestige might be improved. The method suggested was that we should write into all legislation providing federal assistance to the provinces a provision to the effect that a sign must be put up giving the federal government due credit for its share of the assistance and indicating the degree to which the federal government had participated.

I said then that this seemed to show a far greater concern for public relations than for doing things which would genuinely merit the affection of the people of Canada. This kind of thing is symptomatic of the legislation before us.

I say to members on the government side that they are taking a long step toward abdicating their responsibility in the field of old age assistance, and the vacuum they create by this abdication will be filled by the provinces themselves. Hon. members opposite may rest assured of that. The province of Prince Edward Island has already indicated that it recognizes the importance of making available a minimum of $100 a month to old age pensioners and intends to provide a supplement. Does the minister believe that other provinces will not take similar action? Does he not realize that such provinces will probably find a way of getting the federal government to pay a large portion of the cost in any event? Is he prepared to let a responsibility of this kind pass from his into other hands because he is unwilling to use his authority and unwilling to make a decision?

I presume that should the provinces decide to make supplementary payments to old age pensioners they could go to the federal government under the terms of the legislation before us and obtain financial assistance with respect to the supplementary payments on the basis of the percentage of the people covered. Thus the cost would be borne to a considerable extent by the federal government.

The result will be that the people will look on the federal government and say: What fools they are. Why did they let this come to pass? Naturally they will be grateful for assistance, whether it comes from the federal government or the provinces. But they will see one further indication that the federal government is refusing to act in the face of an evident need.

If supplements are paid, and I cannot see how it can be avoided any longer, the money will have to be found one way or another, either within the limits of provincial taxation or in the area of federal taxation. Surely the federal government has far better instruments for taxation at its disposal than have the provinces. If this tax is to be raised at the provincial level, the tendency will be for it to come from the home owners or from the smaller people of this country.

I was interested in the emphasis placed upon the distinction between means and needs. On the surface there seemed to be a concern to explain that the needs of certain individuals would be met to a greater extent under this legislation than was possible in the past and that the old means test might be changed. Certainly the hope was expressed that the attitude toward it might be changed. But the minister gives no indication of recognizing there is any occasion for a needs test as between one province of Canada and another. Here we have a program which says in effect: If you are a wealthy province and can raise large sums of money we shall give you large sums of money but if you are a poor province, unable to raise as much, we shall only give you an amount matching whatever you can raise.

• (8:30 p.m.)

Is this the best the minister could have done, especially when he knows full well the disadvantages afflicting some areas? Could a better formula not have been devised? Is it right that a poor province should be treated no differently than a rich province? Is this the way we are going to help correct the inequities that exist? Is this not a program to freeze the status quo? It appears that that is what the legislation is designed to do, and for that reason it falls far short of what is required in present circumstances.

Sometimes the question is asked, "How are we going to pay for it"? All kinds of suggestions are made in this regard, but the impression left by government spokesmen is that we cannot afford it. Yet the record indicates that Canada, one of the wealthiest nations in the

western world, a nation with a standard of living second only to the United States, spends less on social welfare as a percentage of gross national product than nations much poorer.

I wish to read from a United Nations study published in 1961. Some changes have taken place since that time, mainly because of the introduction of the Canada Pension Plan, which will change the figures slightly, but the statistics in the report are startling. It shows the proportion of social welfare expenditures to gross national product in various countries. The percentages exclude education but include health, family allowances, social security and public assistance of various kinds. In the United Kingdom the figure is 11 per cent, in Sweden 10.5 per cent, in West Germany 9.4 per cent, in Australia 9.1 per cent, in France 5.8 per cent and in Canada 5.7 per cent. Our percentage is not pleasant to contemplate.

An earlier study by the International Labour Organization in Geneva, made from a different viewpoint and published under the title "The Cost of Social Security, 1949-1954", arrived at the following comparative percentages of gross national product: West Germany 19.2 per cent, France 18.5 per cent, Italy 14.7 per cent, Sweden 11.5 per cent, United Kingdom 10.7 per cent, Netherlands 9.6 per cent and Canada 9.1 per cent. On the basis of those figures I do not think anyone can say that this country has been overly generous in taking care of the social welfare needs of its citizens.

Last year I was proud to be a member of the parliament which passed the Canada Pension Plan. We in this party gave that plan our wholehearted endorsement because we realized the great value of that type of program. We have always supported, if not even sponsored, the old age security program, and we are on our way now toward building up a good comprehensive social security program provided the government does not backslide as it is doing with respect to this legislation and by not increasing the old age pension.

Once the old age security program reaches a certain level the government will have to consider seriously the need for an income related program such as suggested by the Senate committee on aging. If the government does the right thing with regard to the old age security program, the right thing being to increase the pension to $100 per month at age 65, if it uses the Canada Assistance Plan in the way it should be used, as a supplement to take care of those instances that do not fall within the broad general cetegory, and if it then acts on the Senate committee report, the minister and the government will have reason to be proud instead of being under the gun as they have been for the last few days so far as this particular problem is concerned.

The minister has seen how deep is the feeling of members on this side of the house and I am sure he has been made aware of the depth of feeling among members of his own party about the need to increase the old age pension. He really cannot ignore this expressed feeling any longer. Quite frankly, I do not understand what he is waiting for because surely he must realize that he has to do something about old age security and that he has to raise the pension.

If the minister does not raise the old age pension, then the provinces will. Is the minister prepared to abdicate his responsibility, to sit back and say: The federal government is timid; if the provinces want to do it that is their business and we will help them out? Does he honestly believe that the Canada Assistance Plan will help the great number of older people who need assistance, taking into account the pittance he is providing under the plan for a nation of 20 million people, a pittance that is supposed to do so many things?

Helping older people is only one aspect of this program. There are all kinds of things that this program is designed to do. Can the minister stretch $80 million that far? Surely he knows he cannot, and surely he knows our older people cannot live on $75 per month. When the minister replies I hope he will say he has listened to those voices from every political party, including his own, who have pleaded with him to do something for our older people.

Everything has been done that I believe is possible to do. We have had pleas to the minister's good nature. We have had threats to defeat the government. We have had threats to sit here all summer if need be. But up to the present moment the minister has retained great equanimity in the face of all these things. If these things do not move him and he says he needs a better reason to be moved, let him search his own heart, examine the situation of our older people and then stand up and tell the house that his government is prepared to do something worth while before we adjourn this summer.

• (8:40 p.m.)

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have hesitated to inject myself into this debate because I am myself concerned. Approaching as I do in a month or two the end of my 70th year, naturally I am personally involved to some extent. However, I think it is perhaps time that someone of my generation should speak on behalf of the vast number of people in Canada who have reached my age or a greater age and are left in the situation in which they have been left today by this and previous governments.

There are several ways by which the degree of civilization of a people may be measured. We may measure it perhaps by the number of cars that block our highways. We may measure it perhaps by the measure of ostentation with which a nation proceeds to celebrate its 100th birthday. We may measure it by the number of millionaires we have. There are numerous ways. But I suggest a more valid measure of the degree of civilization of any people is the manner in which they treat and consider those at both ends of life's scale.

What is important is the way we approach the situation of the more vulnerable and more helpless members of our community. I may tell you that even one such as myself who looks forward to retirement without any particular misgivings on that score, knowing I shall be comfortable enough in my last days, realizes that as one gets old one is obliged to recognize the fact that one becomes more and more vulnerable, more and more helpless and more and more dependent on the compassion, generosity and kindness of one's fellow human beings.

It seems to me, Mr. Speaker, that it is a terrible indictment of the degree of civilization of the people of Canada for this government to refuse to move in this manner to give relief to those who are in the age group to which I belong and those who are older. It seems quite shocking to me that Canadian people who have never known hunger, who have never known despair and who have never known misery and poverty should, in the midst of a society which we think of as being the second most affluent in the world, be content to leave hundreds of thousands of their fellow citizens in a condition of misery.

I think of the old lady in my constituency who I met casually a few weeks ago who was obliged to subsist on a diet of corn flakes for the last two weeks of the month before her cheque came in. She seemed rather surprised when I expressed my shock. She said: "Oh, there are many like me; some take shredded wheat but I take corn flakes and survive until the next cheque comes in." She was rather philosophical. She thought it was rather shocking that she had been left in this condition because she had worked hard all her life, but she assumed that eventually parliament would get around to providing an income which would produce something more than corn flakes in the last week of the month.

I know we shall be told repeatedly as we have been told in the past that we cannot afford this. I know that in the editorial columns of every financial page in this country we will be warned that we must go carefully and that we cannot move too fast in the direction of the welfare state.

I know we will be asked where will the money come from. There are a number of places we could suggest. I am going to suggest one. I would suggest that if we were prepared to cut in half the hundreds of millions of dollars we have thrown down the drain, ever since I first entered this house 13 years ago, on so-called defence, we could easily care for the needs of the old people of this country. I have not heard one minister of national defence in all that time—and I have sat opposite a succession of them—tell us that with this vast expenditure of funds the security of the Canadian people has been in any way ensured. This is a prestige thing, and there is no other reason for it. Anyone who examines the situation knows perfectly well that Canada cannot make any meaningful contribution toward the military strength of the western world. But for prestige purposes we continue to throw the money away and say we cannot afford to look after our own people. That is a scandalous scale of values.

I was reminded of this the other day while speaking to a representative of one of the small Caribbean nations. I asked him whether his people had an army. He said: "Oh, no, we cannot afford an army." Then he turned to me and smiled and said: "Anyway, I would hope we would have too much sense to pretend that we could afford one." The inference was perfectly obvious. He considered we did not have as much sense as he hoped his people would have.

In my part of the country in the early days the native population on Vancouver Island

solved the problems of the old people perfectly simply. They had a simple method. When an old man or an old woman was unable any longer to contribute to the work and welfare of the tribe he or she was taken out to the ocean at low tide and parked there with a small package of food. The tribe then went back to the land and waited for nature to take its course. We are not quite as kind as that, because we insist on giving our old people a little money so that the tides of poverty will not sweep them away immediately and they will have plenty of time in their later years to repent the fact that they spent their lives working for the benefit of the community and Canada and trusted us to see that they would be looked after in their old age.

I would suggest that if one wishes to advance an argument there is no better argument than this to convince the government, and it seems that one has to adduce these arguments to get any action from this dilapidated and discredited government. Let no one doubt that it is dilapidated and discredited. If it is seeking some operation which will be a face-lifting operation, there is no better place to do it than to do it here by bringing in legislation which will not solve the problems of the old people of the country and will not enable them to live in luxury but which, by adding merely $25 a month, perhaps will relieve some of the poverty, misery and frustration under which they live today.

I know quite well that if the government does this it will be subjected to criticism, as I said earlier, in every financial paper in the country. It would be subjected to criticism on every editorial page in the country because the people who write these things represent those who do not wish to have further expenditures placed on them in order that the old people will be helped. It will take a certain amount of courage, I quite admit, for the government to fly in the face of these newspaper editorial writers and financial critics.

Courage unfortunately has been one quality which has been in conspicuously short supply in this government. I suggest, Mr. Speaker, that if this government hopes to save itself then this is about the only card it has left to play. It should summon its courage and play it now today and not later when it will be revealed to the people of Canada that it has been forced to do something which it did not have the courage and decency to do on its own initiative.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

• (8:50 p.m.)

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, without repetition it would be very difficult for me to add to the arguments advanced by hon. members on this side of the house in respect of this legislation. I will, however, make a few remarks about the attitude of this government toward old age pensioners and the representations made on their behalf.

I call your attention to the fact that anyone attending the House of Commons today would come to the conclusion that the only people here concerned with old age pensioners are those sitting on this side of the house. I cannot believe that is true. Since the government voted against a proposal to increase old age pensions by $25 a number of members on the government side have risen to profess an interest in the old people of this country. In view of that fact and in view of the rumours that are flying around this house I am going to put a direct challenge to the Liberal benches.

A number of members on the other side of the house have professed an interest in old age pensioners since that party voted against an increase in their pensions. If that professed interest is real let some of those members stand and speak on behalf of our older citizens. Rumour has it that the government has asked them not to speak. If they think something should be done for pensioners, now is the time for them to get up and make representations. Rumour also has it that the government is prepared to do something for old age pensioners if the backbenchers on that side of the house will hold back and say nothing about this bill. The hon. member for Brantford (Mr. Brown) has on a number of occasions, since that party voted against an increase, posed questions to his government in respect of an increase in pensions. Let us hear from that hon. member now and other members of his party who have professed some concern for our older people. Let us have some action from that side of the house. Let those hon. members now show their real colours in respect of old age pensioners.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I was one of the members present in the house yesterday when the hon. member for Winnipeg North Centre (Mr. Knowles) made a very logical, reasoned and well-balanced presentation in respect of the bill now before us. I felt that he did full justice

to the measure and pointed out, perhaps in a manner which leaned too far toward being fair, the virtues of the bill. On the other hand, I believe that by his motion, he presented an opportunity to rectify the basic inadequacies of the program being presented by the government, in the absence of any indication that the government intended to do anything else. However, I gather that his proposal was not allowed to come before the house for discussion.

I say that I gather that because during the course of the day I, along with certain other members of the Indian affairs committee, was at a meeting with some of the Indian people of Ontario. In that connection, of course, it comes to my mind that certain portions of this bill make reference to the situation of the Indian people of Canada. As I understand those portions of the bill and the principle involved there will be an appreciable move in the direction of recognition of the fact that the Indian people are, as one Indian spokesman said today, not merely Indians but also people. In so far as the bill moves in that direction, I for one am prepared to say that it is a step in the right direction.

Perhaps I should qualify that support by suggesting that the measure to which I referred will put the Indian people in the same position as the rest of the people of Canada in that they will have the same rights to share poverty. If that is a right to be desired, then I suppose this bill is a forward step. I presume all of us in this house have some concern in our minds and hearts for the needs of our fellow human beings. I am sure that none of my colleagues in the New Democratic Party who have or will participate in this debate would suggest that any member of the house is lacking in those human attributes. However, I feel it is fair to say it is evident that while the members of the present government may as individuals have some of the milk of human kindness in their breasts, they have very little human sagacity or understanding in their heads.

It is all very well for us as Canadian citizens to have our own feelings and emotions, but parliament basically is a place where we should come to use our heads. I for one submit that the members of the present government are displaying an astonishing lack of ability to use that upper portion of the human body, particularly when they try to suggest at this juncture in Canadian history that the bill now before us is the answer to the problems of the older people of Canada.

My colleague and seatmate, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), made reference to the fact that he had some hesitancy in speaking during this debate because he is reaching that age when he could be considered an older or senior citizen. My own feeling in participating in this debate is perhaps one of some shame because I happen to belong to another age group slightly junior to that to which the hon. member for Nanaimo-Cowichan-The Islands belongs. I happen to belong to that particular age group in Canadian society which stands to benefit most from the Canada Pension Plan enacted by parliament during a prior session.

• (9:00 p.m.)

If I may express my views as a member of that particular group, I cannot help feeling some shame because those of us in that particular group, and I think that includes a great many of the members of this house, gave recognition to that measure as a forward advance in social progress but are not prepared or willing to give greater recognition to the needs of the generation to which the hon. member for Nanaimo-Cowichan-The Islands belongs. That hon. gentleman said that he did not need to be too directly concerned about the implications of the level of old age security payments and the matter of providing pensions by right to the present older generation of Canadians. I am sure he would be willing to recognize that in many ways this is more a matter of chance than anything else.

Sometimes I find myself thinking about the period of time through which Canadian citizens like the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) have gone. I happen to know something which the hon. member for Nanaimo-Cowichan-The Islands did not mention in his speech, namely, that he was one of those Canadians who found themselves in France and Flanders at a very early age. He happened to be fortunate enough to come back. He lived through, as indeed I suppose I did, the ups and downs of a period of Canadian history that is so often referred to as the hungry 30's. This is one reason why so many of the present generation of older citizens are in a position in which they need, as a matter of right through the contributions of the Canadian economy as a whole, an income that will enable them to live with dignity and respect. As individual

citizens of this country they had no opportunity in their earlier days, when many of them were raising families, to provide for the necessities of life as they grew older.

The Minister of National Health and Welfare (Mr. MacEachen) is piloting this bill through the house. I often feel that we have to face the wrong minister across the floor of the house when discussing measures of this kind. Naturally I do not seek to put words into the mouth of the Minister of National Health and Welfare. He has taken on the job of being responsible for the health and welfare of the Canadian people so far as the operations of the federal government are concerned. But I cannot help feeling that if we could get him beyond the bounds of what is referred to as cabinet solidarity he would, because he belongs to the same age group as I do though perhaps he is somewhat my junior in years, indicate his appreciation of the inadequacies of the measures he is proposing in this bill.

I recall, as I suppose do all those who were candidates in the last election campaign, the clarion call of the war on poverty that was being sounded forth at that time. If this measure is the answer to the war on poverty I suggest that it is a pretty feeble war. It is perhaps in the same position as the hon. member for Nanaimo-Cowichan-The Islands suggested we as a nation are in the world today with regard to our very feeble defence effort. I feel that the Minister of National Health and Welfare is in this position in relation to the kind of promises trumpeted by the Liberal party political machine during the last election campaign.

I wish this bill had been put before us by the Minister of Finance (Mr. Sharp) because I would like to see him answering the questions being raised in this debate. In my mind he is the one responsible next to the Prime Minister (Mr. Pearson) for assessing the kind of priorities to be given to what is to be done in this country. He is the one who should have to stand in this house and explain why we have to be content with this miserable half-measure. He is the one who, so far as the policies of the government are concerned, establishes the kind of priorities that exist in our society where on the one hand we see lush and extravagant expenditures for meaningless and fruitless purposes while on the other hand, as previous speakers have indicated, we know that thousands and thousands of Canadian citizens are having to live on the verge of starvation.

[Mr. Barnett.]

Like the hon. member for Nanaimo-Cowichan-The Islands, who sometimes has in mind the customs of the native Indian people of British Columbia of another age, I am inclined to agree that we are less kind than some of the earlier so-called primitive societies. Primitive societies by and large accepted one or other of two approaches to the question of what should happen to their older people. They either took the necessary steps to bring their lives to a swift and relatively painless conclusion when they had reached the point where they could no longer fend for themselves, or they accepted fully the right of the older people in their societies to share completely in whatever measure of abundance that society as a whole was capable of providing. We in our so-called civilized, advanced, technical age are not prepared to be as kind. We are prepared to let our older people face a slow death for lack of a decent living. Sometimes I feel it would be much more honest if we were to say to them: The best thing for you is to find the nearest bridge and jump off it into the river or stream that lies below rather than seeking to carry on over a period of months or years in the way we insist you must live in the midst of abundance and plenty.

I am not suggesting that only the Minister of Finance and the government as a whole are responsible for assigning priorities in this regard. I suppose in great measure the fixing of priorities reflects the attitude that exists in the minds of many people in our society. It reflects the attitude of the people who sit in the councils of high finance.

Last evening in private members' hour we had under discussion a bill concerned with the refinancing of a certain company. There was an exchange wherein the hon. member who was sponsoring the bill took exception to certain remarks I was making and suggested that I did not know too much about good corporate practice. I admitted I was not an authority on what, in the minds of many people, is good corporate practice. However, I said I knew enough about it to realize that if the hon. member sponsoring the bill considers the proposal contained in it to be good corporate practice, then he and I will have to continue to differ on the matter because so far as I am concerned the kind of corporate practice set out in the bill would result in gouging every cent out of the consuming public of Canada for the purpose of lining the pockets of a small minority of people in our society.

• (9:10 p.m.)

It seems to me that the attitude of the government in respect of the proposed assistance plan is typified by their attitude to what they consider to be good corporate practice. I disagree with that manner of running the government of Canada just as I disagree with the approach of the private company to which I have referred. I think this is the general issue behind such bills which the government wishes us to support.

There is a basic difference between the philosophy and attitude that we in the New Democratic Party are trying to put forward in this house and the philosophy and attitude expressed by the government of Canada. I know there are a lot of well-meaning hon. members who support the government, and if they wish to continue being the government's yes men that is their right and their business. However, I suggest that the writing is on the wall and it indicates that the Canadian people will no longer put up with this kind of exploitation and that there are enough Canadians with the right feelings in their hearts and good heads on their shoulders to see through this sham to which I have had to listen ever since I have been in this house.

What we are discussing tonight is a matter which has been discussed in every session of parliament since I have been a member and I know that it was being discussed for a good many years prior to my election to this house in 1953. This legislation is a challenge and if we cannot convince the members of this government then one of these days we will convince the Canadian people that we cannot continue in this way at a time when we boast about our technological progress and travelling to the moon and when those of us who are in a position to do so travel back and forth across Canada in a few hours. We will not be satisfied with a more primitive and cruel society than existed in this country before the Europeans discovered it. We could learn a lot from the Indian people in my constituency about the way to treat our older people and it would be a good thing if we could measure up to them.

I am not sure that the limitations in this bill are entirely confined to the people in the older age groups. When the Minister of National Health and Welfare was introducing this bill he said there would always be a need for this kind of filler-in assistance program. He suggested to us that no country in the world has abolished this type of assistance in its social security system. I would be prepared to agree with him in certain respects but I certainly disagree with the approach that a needs test should be required forever in our society. We will have to abolish such practices before we become a completely civilized nation.

However, I agree that the most immediate and urgent action we should now take is to alleviate the situation of the particular segment of the Canadian people who are being left out in the cold in respect of any improvement in social security legislation. I say that in view of the proposal I now see on the order paper for a medical care program which we hope will bring medical health care to all Canadians along with the action we have taken in regard to the Canada Pension Plan.

I think the proposal which was put forward to increase old age pensions to $100 a month at the age of 65 is perhaps too modest. In fact, I will be most happy to challenge the Minister of National Health and Welfare to improve on the proposal put forward by the hon. member for Winnipeg North Centre who, I am sure, would be among the first in this house to get up and congratulate the minister if he were to do that. I wish the Minister of Finance would come into the house right now and tell us why the government does not support the simple and immediate proposal we are making. Somehow I feel it is almost unfair of me to ask the Minister of National Health and Welfare to stand up and do it. He does not appear to be giving any indication of a desire to get up on his feet at the present moment.

Mr. MacEachen: May I, Mr. Speaker?

Mr. Barnett: If he could give me some indication that that is what he has in mind, I would be quite happy to terminate my remarks at this point.

Mr. MacEachen: I am ready, Mr. Speaker.

Mr. Barnett: Does the minister wish to ask me a question?

Mr. MacEachen: I accept the hon. member's invitation if he will sit down and allow me to wind up the second reading of this bill by making a statement.

Mr. Douglas: If some hon. member on the government side wishes to make a statement, we are prepared to accept it.

Mr. Barnett: Yes, Mr. Speaker. After all, there are other hon. members on the government side who have not yet spoken.

Mr. MacEachen: I see my hon. friends have now withdrawn their invitation.

Mr. Deputy Speaker: This might be a good time to suggest to the hon. member for Comox-Alberni that he direct his remarks to the principle of the bill before us.

• (9:20 p.m.)

Mr. Barnett: I freely admit, Mr. Speaker, that I am not an authority on the rules of the house but I do know enough about them to realize that in the present circumstances I can only yield the floor to the Minister of National Health and Welfare if he wishes to address a question to me. If he has such an announcement to make he could easily have one of his colleagues make it on his behalf. I must say that in spite of the evident desire of the Minister of National Health and Welfare to express some final remarks upon the bill before us, he has not given any indication that he proposes to make any basic amendments in the committee stage. If that were really going to happen or if the government had some real alternative to propose, I am sure it probably would have been forthcoming before now, if not through the Minister of National Health and Welfare then through one of his colleagues.

Mr. Douglas: The Prime Minister said no on the orders of the day when he was asked a question by the Leader of the Opposition.

Mr. Barnett: I hear that the Prime Minister said no at the opening of the session today. Of course, we have to accept the word of the Prime Minister as the final view on matters of government policy. The hon. member for Burnaby-Coquitlam apparently is not too strongly convinced that the Prime Minister always hews to a certain line when announcing policy. I would be quite happy if the Prime Minister were to change his mind.

The claims which were made prior to the introduction of this measure concerning its relationship to the so-called war on poverty and the various statements of the present administration during the election campaign mean nothing at all because the initiative is left with the provincial governments. I suppose there are some provincial governments, and the minister said he had indications from one or two, that will implement the provisions contained in this bill. It will perhaps enable them to raise their sights a little more easily so far as provincial handout programs are concerned. People in my constituency who are dependent on what is available to them from provincial programs often come to me and therefore I have some idea of the practical effect of provincial welfare programs. I feel that this bill is completely inadequate in so far as the benefits available to the older citizens of Canada are concerned.

During the last time I had an opportunity of doing some travelling in my own constituency I encountered a family situation where an elderly gentleman was suffering from a heart condition and was unable to engage in any sort of active work. His wife had just come back from hospital after having undergone a cancer operation. This couple had a daughter whose husband had deserted her and left her with five children. She was dependent upon the provincial assistance program and, having no other place where she could find shelter, had to go to the home of her parents. It was suggested to her that she should go out to work in order to support herself and the five children, leaving the care of those five bouncing children to the grandfather who was suffering from a heart condition and a grandmother who had recently returned from hospital following a cancer operation.

This is an actual example of how the welfare approach works out in practice. When you follow this bill right through you find that all it is going to do is give a few more dollars to the provinces to carry on that kind of program. Every hon. member encounters dozens and dozens of people in similar situations when travelling round his constituency. I am sure that Comox-Alberni probably has fewer such people than many areas of Canada because by and large it is a rich, wealth-producing area. It probably has less than the average number of older people. If I encounter situation after situation of this type in travelling through my constituency, then surely the Minister of National Health and Welfare must agree that there is a serious deficiency in the principle of the bill he has put before us. A few extra dollars in the hands of welfare administrations is not going to alter these situations in any basic way. We may ease them slightly because there are a few extra dollars but we are not doing anything to correct situations of this kind.

Mr. MacEachen: We certainly are. Read the bill.

Mr. Barnett: I understood the minister to say it does something but it does not correct

the basic human cruelty of the welfare approach. Sometimes I find it completely incomprehensible that the government of Canada, which proposes to speak for the needs of the Canadian people, should be content to ask members of parliament to be satisfied to go home after having passed a measure of this kind feeling that they have done a great thing for their constituents. Certainly I should like to go home and visit the fine people who live in the northern part of Vancouver Island. But I should like to go home and meet and talk with them feeling that I am proud to be a member of the Canadian parliament. I am not going to feel very proud if this measure which makes some provision for the senior citizens of Canada is all I have to go home with.

• (9:30 p.m.)

Mr. Pickersgill: Would the hon. member permit me to ask him a question? Does the hon. gentleman intend to support this measure or does he intend to vote against it?

Mr. Barnett: Mr. Speaker, that is one of those ingenious questions which the Minister of Transport is so fond of asking. I am going to ask the Minister of Transport a question in return.

Mr. Pickersgill: What is your answer?

Mr. Barnett: Is the Minister of Transport in his heart going to be proud to go home to his constituents in Bonavista-Twillingate and say that this is the best that the Canadian parliament can do for the old people of Bonavista-Twillingate?

Mr. Pickersgill: Yes, sir, I will be very proud to say that no country in the world makes as generous provision for its old people as does Canada. Everyone in this house knows it, and the hypocrisy over there is not going to conceal it either.

Mr. Barnett: Mr. Speaker, the statement the Minister of Transport has just made is not true.

Mr. Douglas: And he knows it.

Mr. MacInnis (Cape Breton South): A point of order, Mr. Speaker.

Mr. Pickersgill: Name the country that does more for its old people than Canada.

Mr. Deputy Speaker: Order. Will both hon. gentlemen sit down, please. The hon. member for Cape Breton South has risen on a point of order.

Mr. MacInnis (Cape Breton South): Mr. Speaker, I have to support the hon. member for Comox-Alberni (Mr. Barnett). The statement of the Minister of Transport (Mr. Pickersgill) is untrue, because the Minister of Transport cannot go home to Bonavista.

Mr. Starr: He has not got a home there.

Mr. Deputy Speaker: Order. This might be the proper time to advise the hon. member for Comox-Alberni that his time has expired.

Mr. Barnett: Mr. Speaker, on the point of order that has been raised—

Some hon. Members: Order.

Mr. Barnett: Just before the point of order was raised I had stated that what the Minister of Transport said was not true and I would like the courtesy of the house for time to say in a few words why in my opinion his statement is not true. I can do so in two minutes.

Mr. Pickersgill: Name the country.

Mr. Deputy Speaker: Order, please. Is the hon. member for Comox-Alberni asking for unanimous consent of the house to continue his remarks?

Some hon. Members: Carry on.

Mr. Côté (Longueuil): No.

Mr. Deputy Speaker: There is no unanimous consent.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I might not have risen to take part in this debate but for certain events that transpired today. Until today and during the course of today I had been quite content with the statements that had been made by members of the Conservative party in connection with our interest in this bill and our interest in having it extended by parallel legislation so that the old age pensioners of this country would also receive some assistance. But the answer that the Prime Minister (Mr. Pearson) gave today when the Leader of the Opposition (Mr. Diefenbaker) asked him whether he would bring in additional legislation to increase old age pensions from $75 to $100 a month brought forth from the Prime Minister a very abrupt answer, a strict "No". Had he suggested to us that he was giving consideration to additional legislation or had he said that he was going to fulfil his election promise to the old people of this country

during the course of this session, then perhaps we would have been content. But he brushed aside the question of the Leader of the Opposition very abruptly and I wondered at the time why he did so.

He also had in front of him for consideration an amendment which was ruled out of order by the chair but which nevertheless was an attempt on the part of the hon. member for Winnipeg North Centre (Mr. Knowles) to give the government a way out of the dilemma they are in. The amendment suggested, as I understand its intent, that in addition to the bill now in front of us there should also be concurrent legislation to provide an increase in the old age pension from $75 to $100 a month.

An olive branch was extended to the government, Mr. Speaker, by the New Democratic Party but the government turned it aside and would not accept this expression of opinion. The intent of that amendment had the support of our party. Here was a chance for the government to save face and extricate itself from difficulty by telling us that concurrent legislation would be brought forward. Quite properly, they would say that they could not accept the amendment.

Mr. Côté (Longueuil): It was ruled out of order.

Mr. Churchill: It was ruled out of order. But suppose it had been ruled in order. The government might then have voted it down and said that it was a question of confidence. Even so, Mr. Speaker, the government should have read between the lines and interpreted the feeling of the house as it was expressed in the amendment and by the comments made during the point of order that was raised as meaning that the members of the house generally were in favour of some extra legislation which would provide for the elderly people of this country that which they richly deserve and which was promised to them by the Liberal party at election time, namely an increase in their old age pensions. However, Mr. Speaker, the government failed to interpret the will of the house and it dug in, getting a little irritated perhaps because this debate has continued.

It is for these two reasons, sir, that I decided I would participate in the debate. I want to help the government out of their difficulty. We have been doing nothing else now for the last several months. We have been helping them with their program in the house. We have been passing legislation for them rather quickly. So far as we are concerned we are content to sit longer hours. We want them to have a good rest this summer so that they can collect their thoughts and formulate a program for the next session. We have been very co-operative.

The situation tonight is simply this. It is not right for this house to aim at an early adjournment this summer while leaving unfinished business as important as the Canada Assistance Plan and help for the old age pensioners. So far as I am concerned, Mr. Speaker, I am prepared to sit here all summer until we complete some of these important pieces of legislation. The government will continue to disintegrate while this goes on because it needs to have the House of Commons rise so that it will be out of the way. But if they fail in disintegrating of their own volition we shall assist them with that too.

• (9:40 p.m.)

The Minister of National Health and Welfare a little while ago interrupted the hon. member who spoke just before me. He said he wanted to speak to the question, wind up the debate and also make a statement. What does he mean by this? Has he some further announcement to make which will enlarge the scope of this bill so as to take account of the plea which has been put forward on behalf of the old age pensioner? If he has such a statement, as has already been suggested, some colleague of his could get up and make it and take part in this debate.

It is a strange thing that in this debate which has been going on for a couple of days the Minister of National Health and Welfare should find himself isolated from his colleagues, who are not supporting him.

Some hon. Members: Oh, oh.

Mr. Churchill: He is isolated from his friends on the back benches who are not supporting him on this measure. I am told there are many members of the Liberal party who would like to speak in favour of the bill in front of us and who would like also to speak in favour of fulfilling that Liberal promise to the old age pensioners. But they are being held back. I sympathize with them. I believe in freedom of speech and I believe that, no matter what party he supports, anyone who has been elected to this house should have the opportunity to present his views freely. How members from the ranks of the

Liberal party can go back to their constituencies this summer and fail to report to their old age pensioners that they have done something for them, escapes me. It is all right for the members of the cabinet. They can always say that pressure of work keeps them here in Ottawa. They do not have to face these pensioners. But private members cannot offer such an excuse. They will have to go home and face the music in their constituencies.

What will they say to the elderly people of this country? They will have to say: Once again the Liberal party has let you down. This will be very bad for the Liberal party. People in the constituencies will be saying: There are other parties in this country which would be willing to help us. Why not give them a chance? I am worried about the Liberal party and I want to help them out tonight. It is my suggestion to them that they will have an opportunity to rectify their error by making a statement tomorrow. The Minister of National Health and Welfare can make a statement tomorrow about what he wants to do to correct the deficiencies which have been pointed out, and instead of rushing away for a summer recess most of the members of this house are prepared to stay here and give the government a chance to make this correction.

Once again we come to the assistance of the government. It would have been really embarrassing to them had we quickly passed the Canada Assistance Plan legislation tonight without any modification being made in it, and they would have regretted it the next day. But we shall give them tonight to think it over. Perhaps the Prime Minister will modify his attitude with regard to the old age pensioners tomorrow and perhaps tomorrow we shall hear a statement on motions that concurrent legislation will be brought in to match this particular bill and that old age pensions will be raised immediately to $100 a month.

Mr. Knowles: We hope you are a prophet, Gordon.

Mr. Churchill: Well, I have been right sometimes on political questions in the past and perhaps I am right on this occasion.

Speaking on the resolution stage the Minister of National Health and Welfare said this particular bill would underpin the whole social security structure. I am paraphrasing his words, though he did use the word "underpin". Rounding out the social security situation in Canada sounded all right at the time.

But on reflection and on re-reading his speech I have discovered that he was making a good deal out of something which was not as important as he pretended it was when he spoke on June 14. Most of these programs have been in operation for years. This bill simply undertakes a tidying-up process. We do not object to that. Administratively it appears to be a good idea. Certain assistance plans which have been operating separately for years are now being brought together. The minister has a title for it, the Canada Assistance Plan, and it sounds as though it is brand new. Unless I have misjudged the propaganda machine of the Liberal party, this will be presented to the public as something entirely original which is underpinning our whole social security program.

Mr. Douglas: Whole page advertisements.

Mr. Churchill: Yes. Whole page ads. I hope the people will not be misled. This is just a tidying-up process and it fails to underpin our whole social security program for two reasons. First, it does not provide for our older citizens who are in desperate need of assistance at the present time and, in the second place, the amount of money being provided is rather inadequate.

The minister said it was estimated that $85 million would be required for the additional assistance foreseen under the terms of the bill. At the same time he tells us there are about one million people who require help, that is, those who are still under the old age assistance program, those who receive blindness allowances, those who are disabled, the needy mothers with dependent children and 600,000 other recipients of assistance as well as 50,000 children in the care of child welfare authorities. In all, there are one million Canadian citizens who are to be assisted by an extra amount of $85 million.

Well, $85 million sounds like a great deal of money but it only amounts to $7 a month or 23 cents a day for these people, and I cannot see that this will provide very much additional assistance. It will not provide as much assistance as the minister attempted to say it would when he was speaking about this measure on the resolution stage and on second reading. When we add together all the welfare payments and the cost of the assistance work which is being done, the new expenditure, he said, would bring the total level of federal disbursements on welfare services to more than $250 million.

He tried to impress on us that this represented very substantial assistance. I am not

so sure that it is. We have a population of 20 million people and we are a wealthy country which can budget for close to $8 billion in revenue in the course of a fiscal year. I am not so sure that $250 million for one million citizens of this country who are in need is anything like beyond our means.

• (9:50 p.m.)

Therefore I am not overly impressed with the picture painted by the minister of what he is doing by this plan. I know his keenness to get on with it and get publicity out of something which people may think is new but which comprises only older and useful plans dressed up under a new name. The government cannot claim that this is something new and cannot claim that it is going to underpin our whole social security structure.

This is a slow process. During the last 40 years we have experienced a change in public opinion with regard to social security. It was frowned upon in early days when people were supposed to work and save. I remember very early in life, at the age of 10, 11 and 12, walking behind my father on the day before Christmas and pulling my toboggan or sleigh laden with parcels to distribute to needy families, and at that early age I saw the crippling effects of poverty.

One family which I had to look after, not only at Christmas time but during the year, kept on increasing year by year until it got to the size of two adults and 13 junior members. Even as a small boy I rather wondered how the head of that family, who had nothing but a minor job as a caretaker, could raise such an enormous brood, but it has taken us a long time to realize that it is not possible for everybody in this country to earn a satisfactory living and save for their old age. As the years have gone by we have discovered that this is an impossibility for a great many people and that the state has an obligation on their behalf.

The wealth of a nation rests with its people, in addition to its natural resources. Unless its people are strong and healthy and have a good outlook on life, the nation suffers accordingly. I know all about the depression years. I saw their evil effects on hundreds of people. I saw their effect on a class of 40 high school boys, aged 17 and 18, whose fathers had been unemployed for anywhere from one to five years.

During the last year I was engaged in teaching those boys were not interested in school. They would have been drop-outs had there had been any place to drop to. But strangely enough, a year later when the war broke out these young men at age 17, 18 and 19 put on their country's uniform and served in the navy, army or air force. Three of them became officers in the Canadian Army; yet they had been making no progress in school. At the time I knew them in 1938 all these lads were headed for the unemployment line, just like their fathers, to live on the dole and eke out an existence. But when the time of crisis came they served their country. They served their country well and several of them lost their lives.

It is no advantage to our country to have thousands of children living under meagre conditions. It is no advantage to us if we have 200,000 needy mothers with dependant children eking out a bare existence. These are the present and future adult citizens of our country. They deserve sufficient food to develop healthy bodies and sufficient stimulus through education of the mind so that they will be useful citizens. The mothers of these needy children should be not be ground down by toil and worry and end up in ill health. The psychological effect is, of course, even greater if a family can see no sign of life but just a grim existence stretching ahead from day to day.

It is no credit to a country to fail to give its senior citizens that which they deserve. They deserve something beyond a mere existence, and over the years we have fortunately reached a stage where our senior citizens are getting much better attention than they got some years ago.

I recall visiting senior citizens in the city of Winnipeg 20 years ago. I particularly remember three elderly men in their eighties, eking out an existence on an old age pension of $30 a month and living in squalid quarters. I asked how they managed to keep alive and how they got their food. They told me that on Monday morning they went to one of the stores and bought stale bread left over from Saturday. They were boiling a cup of tea when I visited them and I asked how much the gas cost for the ring they were using. They replied, "We are pretty smart. You watch that kettle. The minute it begins to hum we switch the gas off, the water comes to a boil from the heat still left in the ring and then we make our cup of tea." The only tobacco they had was what was given to them.

When I was a member of the Manitoba legislation in 1947-48 I was batching for one

month and I decided to live on $30 to see how the old age pensioners lived. I put $30 aside. I did not pay my rent out of it but restricted myself to $1 a day for the full 30 days. I existed on hamburg, stale bread and an egg or two. There was no steak or extra treats for me.

Mr. Côté (Longueuil): And no whisky.

Mr. Churchill: And no whisky. I walked instead of riding on the buses. I rolled my own cigarettes. I just got by and no more, and I did not buy clothes or pay my rent. That is the type of life senior citizens were living in those years, and many of them are still living under those conditions because they are restricted to $75 a month while over the 20-year interval the value of money has declined. When they pay rent out of their $75 they have barely sufficient left for food. What do they do for clothing and for little extras? This thing is shameful.

• (10:00 p.m.)

Our country, a wealthy nation, owes our older people some enjoyment in the later years of their life. I think that assistance should be given to them very very promptly. That is why we are urging today that the government listen to its backbenchers and to the people on this side of the house, bring in the concurrent legislation that was requested and raise immediately the pension for our older citizens from $75 to $100 a month. Let us accomplish that. We will pass the Canada Assistance Plan in no time because we are not opposed to the general idea. Then we will sit here and do the other bits of legislation and wind up.

Mr. Côté (Longueuil): That is a threat.

Mr. Churchill: Mr. Speaker, the hon. gentleman opposite says it is a threat. It is no threat at all. I am suggesting we are prepared to sit here, continue with this and other pieces of legislation and do our proper job for our country. But we are asking the government to fulfil its obligation to our senior citizens.

Some hon. Members: Hear, hear.

Mr. Winkler: I rise on a point of order, Mr. Speaker. It has been brought to my attention that the word is out through an ex-minister of the Liberal government that the minister intends announcing the implementation of a plan for a guaranteed income after the summer recess. I ask members of the house to govern themselves accordingly and restrain themselves so that the minister may rise in his place and make such an announcement.

Mr. Douglas: Mr. Speaker—

Mr. MacEachen: A point of order has been raised and for the second time tonight—

Mr. Deputy Speaker: Order, please.

Mr. MacEachen: —I have attempted to respond to an invitation from the opposition.

Mr. Deputy Speaker: May I ask the minister whether he is rising on the point of order?

Mr. MacEachen: Yes, Mr. Speaker. I wish to reply to the point of order raised by the hon. member for Grey-Bruce. He was given a full opportunity to present his point of order and I should like to reply to it by saying that this is the second time tonight hon. members have asked me to reply on this general subject and make a statement with regard to the intentions of the government. Twice I have volunteered and have been refused. I am waiting anxiously to conclude this debate in order that the bill will be passed and so that the house will be fully aware of the government's plans.

Mr. Douglas: On the point of order, Mr. Speaker, the night before last the minister made a speech which we took to contain the government's plans, but if the minister has something additional or if the government has had second thoughts I am sure the house would be quite prepared to give unanimous consent to revert to motions so that the minister can make his statement.

Some hon. Members: Hear, hear.

Mr. MacEachen: Mr. Speaker, the hon. member for Burnaby-Coquitlam knows perfectly well that the orderly way to proceed with this debate is to give the minister an opportunity to wind up on second reading. No other proposal can cover up the persistent filibuster which is being carried on.

Mr. Douglas: Mr. Speaker, the minister cannot impute motives to the members of this house.

Mr. Côté (Longueuil): Why do you laugh?

Mr. Douglas: He cannot impute motives. If the minister wishes to make any statement about a change in the government's plans we can revert to motions, but until he asks for permission to do so we can only conclude that the government is going to persist in the

niggardly plan which is now before the house. Neither the minister nor the government have any right to shut out proper discussion by promising to do something they have no intention of doing.

Mr. MacInnis (Cape Breton South): The Minister of National Health and Welfare is so anxious to speak on this matter that the backbenchers who are interested in it have been pulled back and not given an opportunity to speak.

Mr. Deputy Speaker: The Chair assumes that this ends the discussion on the point of order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): If the Minister of National Health and Welfare intends to state that the government is willing to grant the increase in old age pension, let him say so then. We will be pleased to allow him to announce it immediately. But if he merely intends to bring the debate to a close, that would not be quite honest, because I feel we have the right, the duty even, to tell the house why we are in favour of increasing the old age pension.

I can see the member for Chicoutimi (Mr. Langlois) whispering near the curtains at the back. I recall how the same member, during the last election campaign, clamoured loudly: I promise to see that the old age pension is increased. But, now, the member for Chicoutimi leaves the house; yet, he committed himself to supporting this increase. I was there when he said so; he had it printed in the newspapers and that cost him money. Today—

[*English*]

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

Mr. Langlois (Chicoutimi): A question of privilege, sir.

[*Translation*]

Mr. Grégoire: I am glad to give him the opportunity to speak for the first time.

Mr. Langlois (Chicoutimi): Mr. Speaker, I am sorry to disappoint those members, but this is not my maiden speech this evening, since I have already spoken on two or three occasions.

The member for Lapointe, who is very talkative and takes up a great deal of the time of the house, has just made a totally incorrect and unfounded assertion. During the last election campaign, I have never promised at any of my meetings—it is therefore impossible for the member for Lapointe to have heard me—to have the old age pension increased to $100 across the board. What I said, and it is reasonable, is that I would make every effort to have the Prime Minister (Mr. Pearson) put forward a program designed to pay a pension up to $125 per month to needy people. Then, if the member for Lapointe delves deeply enough in his memory, he will find that what I have just said is the same thing I stated during the last election campaign.

Mr. Grégoire: Mr. Speaker, if the point of order is completed—

[*English*]

Mr. Deputy Speaker: Perhaps the hon. member for Lapointe would now direct his remarks to the principle of Bill C-207.

[*Translation*]

Mr. Grégoire: I remember very well that, at that time, the hon. member for Chicoutimi was not saying: "I shall endeavour", as he just did tonight, but rather: "I pledge". And it took 15 minutes to list everything he pledged. Now, he has not yet fulfilled any of those pledges, including that concerning old age pension, since he voted against an amendment to increase old age pensions; he voted against, and the Minister of National Health and Welfare himself said today—

[*English*]

Mr. Deputy Speaker: Order, please, The hon. member is now reflecting on the manner in which members in the house vote. May I suggest to him again that he direct his remarks to the principle of the bill before us.

[*Translation*]

Mr. Grégoire: The principle of the bill is social security. Now I am speaking of social security. I claim that something must be done in order to increase not only the pensions for the disabled, for needy mothers, for the blind members of I know not what constituencies—

Some hon. Members: Hear, hear.

Mr. Grégoire: —but also the old age pensions. The hon. member claims we are filibustering.

No, Mr. Speaker, we are not filibustering. That is not true. We want the bill to carry completely but we want more than that to carry and we are ready, on this side, to give up our summer recess so that more than this carry and so that people aged 65 and over

get $100 a month without discriminating tests. We are ready to stay here for that purpose, to try to get that for our oldsters. But why are the Liberal members sitting in silence? Why are they not coming over to our side and support our demands to the government to have the old age pensions increased to $100 a month at 65 years without tests?

While the hon. member for Winnipeg South Centre (Mr. Churchill) was speaking, I noted that ten ministers were in the house, but barely eight Liberal members. This proves that the back-benchers of the Liberal party are embarrassed by the position taken at this time by their government. They are staying out of the house and the ministers are sitting because the members are embarrassed at the sight of the attitude taken by their government. You cannot deny this, it is a fact, you were all absent a while ago. More than that, Mr. Speaker, for a while I noted that there were hardly three Quebec Liberals present in the house, out of 58 or 59, while we were discussing one of the most important item of the current session.

• (10:10 p.m.)

[*English*]

Mr. Basford: Mr. Speaker, would the hon. member permit a question? I should like to ask him where the members of his party are, because I can only count two in the house.

[*Translation*]

Mr. Grégoire: The hon. member asked me where are our own members. There are four, that is nearly 50 per cent, who spoke in favour of an increase in the old age pension, while none—

[*English*]

Mr. Deputy Speaker: Order, please. I do not think the whereabouts of members is closely related to the principle of Bill C-207. I again request the co-operation of the hon. member for Lapointe and ask him to adhere as closely as possible to the principle of the bill now before us.

[*Translation*]

Mr. Grégoire: I replied to the question put to me and if you find that I departed from the subject matter, it is probably because the simultaneous translation does not come out well at the other end. But I think I am directly on the subject in speaking of an increase of the old age pension because it is a social welfare measure.

We ask, Mr. Speaker, that the pension be increased to $100 for any person of 65 or over, and we believe that that is most reasonable. Would it be that a person who started to work at 18, 20 or 22 and who worked 40, 45 or 47 years of his life to build and develop Canada, is not entitled to $100 a month at the age of 65 or that it would not be fair to grant him that amount?

When people who have worked 45 or 47 years and paid taxes all their life reach 65, can Canada not give them $100 a month? Mr. Speaker, I say that a government which is unwilling to do that is far removed from the people and does not think of them but of the great financial interests it is trying to protect.

Mr. Speaker, a monthly pension of $100 is not much, as those who spoke before me have said. It is not much compared to what those citizens did for their country, working for years, enduring hardship and toil.

Take for example the farmers, who work from early in the morning till late at night all their life, during 50 years, and when they reach 65 they are treated shabbily; they who helped to build and develop the country are treated meanly and refused a bigger pension. They are given a scant $75 a month when a monthly pension of $100 would hardly be enough.

What do we give those old people? Toward the end of their lives, even if they are given $75 a month, they often have to pay debts incurred to raise their children, to buy a house, and so on. They still have to pay taxes like everyone else, and when comes the time to rest for those people who have worked for their country for so long, all they are given is a paltry $75 a month. And yet, Mr. Speaker, it is thanks to them that Canada is today a rich and developed country, rich enough to afford to give them a monthly pension of $100.

When one considers that Canada pays each year $1.2 billion in interests, dividends and profits to foreign capitalists, one wonders how it is that the government would not have enough heart to pay $100 a month to our Canadian citizens. Everything for the foreigners, never anything for our old people in Canada. That is the attitude of the present government in the matter now under consideration.

The hon. member for Chicoutimi is still purring. He said a little earlier that he was speaking for the second time, but today he is forgetting to take part in the debate which concerns, us, because I know that his electors in the riding of Chicoutimi are the first to request an increase in old age pension. I am ready to hold a debate in his riding, so as to let his electors know that the hon. member for

Chicoutimi, the riding next to mine, is against our introducing legislation to increase the old age pension to $100 a month. I am prepared to let the hon. member for Chicoutimi know, in his own riding, that he voted against that last January. He is blushing and sitting deeper in his seat, but he would blush even more in a public meeting.

[*English*]

Mr. Deputy Speaker: Order, please. It is the opinion of the Chair that the remarks now being made by the hon. member for Lapointe are not in order. I again ask for the co-operation of the hon. member.

[*Translation*]

Mr. Langlois (Chicoutimi): On a point of order, Mr. Speaker. One can readily understand that I should sink deep into my chair, but the hon. member for Lapointe cannot do that, as he does not carry much weight.

Some hon. Members: Hear, hear.

Mr. Langlois (Chicoutimi): As for what my constituents think or do not think about having or not having a $100-a-month pension, I consider that the constituents of Chicoutimi are surely as intelligent as those of other constituencies, that they realize it is better to give to those in need than to increase pensions to millionaires, to do a little demagoguery as the hon. member for Lapointe has been doing for many years.

Some hon. Members: Hear, hear.

Mr. Grégoire: Mr. Speaker—

[*English*]

The Acting Speaker (Mr. Cameron, High Park): Order, please. I suggest to the hon. member for Lapointe that he follow the observations of Mr. Deputy Speaker, whose place I have temporarily taken, and confine himself strictly to the principle of Bill No. C-207. Let us not have any more of this cross-fighting between Chicoutimi and Lapointe but rather let us get on with our consideration of this bill.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I think the point of order of the hon. member for Chicoutimi was not well-taken and he should have been called to order immediately, since that is the second time he injects himself into the debate without having a justified point of order. If he has one, let him say so and set it out, but I know only too well that the population—

[*English*]

The Acting Speaker (Mr. Cameron, High Park): Order, please. Let me point out to the hon. member that what I said applied to both him and the hon. member for Chicoutimi.

• (10:20 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, I am quite aware that a member should represent in the house the interests of his constituents, that he should reflect the opinions and the wishes of his constituents. We are aware that the electors of the constituencies of Lapointe, Chicoutimi or elsewhere, are anxious not only for the increases proposed in the Canada Assistance Plan which is now under consideration, but also for the increase of the old age pensions to $100 per month.

We are not satisfied with what has been introduced today. We approve it and we accept it, we have already said so. But we are not satisfied with this. If others are satisfied with it, let them have their own narrow views, their own small increases. As far as we are concerned, we want a real increase in the old age pension for persons aged 65 and over, and without a means test. We are demanding that the pension be increased to $100 for everyone aged 65 or more.

Mr. Speaker, I shall say this: Canada is a country rich enough to afford this $100 a month pension to its citizens. When, for instance, we consider the number of plants that are laying off workers because they are over-producing, I feel that if our old people had a greater purchasing power, they could buy more of such production and these plants could maintain full production or, at least, a higher production. If our old people were getting a higher old age pension, all of them would be in a position to purchase more goods and increased purchasing would mean more work for the workers in industry, our economy would be expanded still further, our large, our innumerable resources would be further developed.

When the government refuses to increase the old age pensions, I claim the government lacks confidence, or rather the awareness of the resources it should be managing, of all the resources in Canada.

If our old people get $100 instead of $75, have we to fear that our old people will suddenly start buying too much butter, too much meat, too much milk, so that others will be deprived? If our old people start getting $100 per month tomorrow, will they be

buying too many clothes, so that other people will be deprived? Who is afraid of that? There is enough for everybody. There is plenty for all. So giving $100 per month to our old people will not deprive others of anything. There is enough for all, whether it is clothes, housing, food, recreation, there is some for all.

Mr. Speaker, when we try to limit the purchasing power of our old people, then we try to keep those who worked in the past to build our country in misery, to reward them for all they did to develop this country. We do not see clearly enough the merits of those who worked or came before us; when I say "we", I mean the government. The government does not see clearly enough the merits of those who worked in the last 50 years to develop our country. If I were the Minister of Finance and the Minister of National Health and Welfare (Messrs. Sharp and MacEachen), I would be ashamed to introduce legislation which is good but incomplete, which does not take into account at the present time a whole sector of our population, namely those who are 65 and over.

Mr. Speaker, $100 is not much when you consider how rapidly the cost of living is increasing now. The cost of living increases faster than the allowance given to our old people, the disabled, the crippled, the needy mothers, etc. The cost of living increases even more quickly than the allowances.

Mr. Speaker, what about family allowances? They have not been increased, except for an additional $1 given to a small category of people, since 1944. Whereas everything costs more today, no thought has been given to increasing family allowances.

Mr. Speaker, to bring up one, two or three children costs more than in 1944-45 and although the government comes before us with a social assistance program, it does not think at all about increasing family allowances, just as it does not think about increasing the old age pension.

Coming back to the system proposed in that bill, to the proposed increases, there is a disadvantage for those who are admissible. It is that the investigations last too long. Too much time and effort is spent trying to find the little thing which will enable the government to refuse a pension, to withdraw it from an individual who would be eligible for his pension. Investigations, forms, inspectors and auditors; every step is taken to withdraw the pensions that are to be given through a piece of legislation.

The act is such that officials, at least senior officials, try to cut or take away pensions whenever possible, because they show great zeal in this field. Mr. Speaker, I think that even if the increase granted today is good, it is not sufficient and the government should have implemented the promises it made during the last general election and raised old age pensions. Fine statements are all very well, but they should be folllowed by action.

I wonder why the government today is not presenting, in addition to the bill we are now studying, another act raising old age pensions to $100 for each 65-year-old citizen.

Mr. Speaker, I hope the hon. Minister of National Health and Welfare will consider this suggestion. I hope he will think of all the Canadians who have developed the country, who deserve from their motherland more than poverty. At their advanced age, they deserve to be given at least an adequate pension. Let the minister think about this and announce tomorrow that old age pensions are increased to $100 a month. He will then see that, all over the country, people will be happy to see that our old citizens receive what they have earned through their work, that they are given what is theirs out of the wealth of the country, that is, an adequate pension at the proper age.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, how is it that the hon. member for Lapointe speaks of pensions and federal policy when he has already announced that he would leave federal politics?

Mr. Grégoire: Mr. Speaker, if the hon. member for Charlevoix (Mr. Asselin) wants to speak, he should speak louder, because I did not understand him at all on account of the distance between us.

Mr. Asselin (Charlevoix): When I have to answer the member for Lapointe, I shall be able to do so very easily, because his arguments are rather weak.

[*English*]

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I should like to take this opportunity to make some brief remarks with reference to the legislation before us. I wish to say at the outset that I certainly do not want to be thought of as participating in some kind of filibuster.

Some hon. Members: Oh, oh.

Mr. Schreyer: It is my intention to say a few words only because the longer I sit in this house and listen to the responses of the government and the minister to questions put to them by members on this side as to why they will not increase the old age pension, the more I am convinced that they have given no adequate reason why this should not be done.

I should like to ask the minister to explain precisely why the government will not do something to alleviate the low income problem facing the elderly people of our country. There is adequate information at our fingertips which shows quite clearly that the absolute minimum level of income needed by old age pensioners today is somewhere in the order of $110 to $140 a month. The amount varies in the various studies that have been conducted. For example, I have before me a summary of information which emanated from the Canadian Conference on Aging.

• (10:30 p.m.)

It is their estimate that the absolute minimum required by an old age pensioner to allow him to live the way we want him to live is $138.96 per month. The Toronto Metro Social Planning Council has estimated that $126.47 per month is the absolute minimum necessary for old age pensioners. Other studies have also been conducted in this regard. It should be obvious to hon. members on the government side that it has been adequately proved there is need for an increase in the purchasing power of our older citizens and an increase in old age pensions.

I think this is the right time to ask the minister—I am not doing this in a taunting manner as it is not my desire to taunt hon. members opposite—in view of the data collected and the studies carried out on the level of income necessary for old age pensioners, how in the world the government can sit back and allow the pension to remain at $75 a month. This amount is about 50 to 65 per cent below the level regarded as an absolute minimum by the various study groups which have looked into the matter.

It has been argued by hon. members opposite, and particularly by the minister when presenting this legislation, that it will serve to provide additional income to those people who, upon a means-needs test analysis, prove that they are eligible for it. However, surely the minister should not be so anxious to provide this additional income by means of such a complicated and involved means-needs test system. Why enter into the thicket of red tape when it can be done with ample justification and in a much simpler way by means of a universal increase of old age pensions to $100 a month?

I am sure hon. members opposite, including the minister, may from time to time take the view that some members on this side of the house are exploiting this issue for partisan or political gain. Nevertheless I suggest to the minister that if he holds this opinion it is a very harsh one indeed. If hon. members opposite indulge in name calling and suggestions as to who is or is not hypocritical—I am now referring specifically to the charge made by the Minister of Transport (Mr. Pickersgill) that a member of our group was being hypocritical when speaking of the need for increasing old age pensions—then I point out to the minister that we on this side can indulge in the use of precisely the same kind of language.

We have been made aware of the publicity which the government has given in recent months to the war on poverty and we consider it to be hypocritical in the light of the government's attitude to the level of old age pensions today. If the government really intends to deal with the problem of poverty immediately and with the minimum amount of red tape, it can do so forthwith in the area involving old age pensioners.

Is the government refusing to adopt the request of hon. members on this side? Is the government refusing to increase old age pensions because this country cannot afford it? Is that the answer they are giving us, or are they refusing to increase old age pensions at the present time because it might have an adverse effect on the economy resulting in inflation? Is that the government's reason for not increasing old age pensions? If this is so then I will put to the minister what I consider to be a rather more obvious answer. If, in the opinion of the minister, this country cannot afford to increase pensions to $100 a month, then the government is applying a strange set of priorities because we are spending much larger amounts of money in other sectors of the economy which have nothing to do with ordinary humanitarianism and common decency toward our old people.

If that is the reason which the minister wishes to give us, then I suggest that if our purchasing power must somehow be decreased or inhibited so as to dampen demand

it is very strange that it is our older people who are chosen to bear this burden first. Let the government lower the purchasing power of those who have until now lived in the fullness of economic blessing instead of trying to take it away from those people who until now have never really had the opportunity to live abundantly. All that we ask is that they be provided with that minimum purchasing power laid down by social workers and others who have studied the matter.

It has been suggested by certain economists in the United States that that country cannot afford both guns and butter, that they cannot fight a war against poverty and build a great society at the same time as they are fighting against an enemy. This argument has been put forward rather forcefully. The answer given by the economic adviser to the president was that if a cutback in domestic spending is necessary it should be done at the expense of those who have more than adequate purchasing power at their disposal and not at the expense of the unfortunate, the school dropouts and the elderly who need better medical care, better income and better social security.

I wish to reject completely any suggestion from the other side that whoever speaks in this debate is indulging in a planned filibuster because I can look the minister squarely in the eye and tell him that I have not been approached or asked by anyone to speak on this subject.

Mr. Basford: Will the hon. member permit a question? If what he says is true, then would he and his party sit down so as to allow the minister to make a statement?

• (10:40 p.m.)

Mr. Douglas: The minister will have lots of chance to make a statement. He wants to close the debate in order to gag us, and you know it.

Mr. Deputy Speaker: Order, please.

Mr. Douglas: We have had this hypocritical bunkum from you before.

Mr. Deputy Speaker: Order, please. The hon. gentleman rose to ask a question and the permission of the hon. member for Springfield to ask a question does not entitle him to enter a debate.

Mr. Basford: I rise on a question of privilege, Mr. Speaker. I quite understand that you were somewhat taken aback. I did ask a question which resulted in some outbursts. It has always been my observation in this house that there is no greater mournful sound than the sound of the wounded hypocrites on the other side.

Mr. Lewis: That is doggerel. It is not even poetry.

Mr. Schreyer: I heard the question which was asked by the hon. member for Vancouver-Burrard. My answer is quite simple. I will sit down in a matter of a few minutes. As to what other members of my party may do, that is up to them. I certainly resent any implication from the other side that when we speak in this debate we are intent on holding up the business of the house. How long has the debate on this legislation gone on? Not a very long time. If the minister is anxious to make a statement to close the debate, he will have that opportunity later tonight or tomorrow. The mere fact that the minister may have some sort of engagement or commitment for tomorrow is no reason why he should take out his impatience on us.

Mr. Lewis: How long did he take before he introduced the bill?

Mr. Schreyer: In any event, if the minister feels compelled to make a statement this evening he has already been given an indication that hon. members will agree to revert to motions so that he can make that statement. This would not be an unprecedented way to proceed.

In so far as old age pensions are concerned, I should like to make a specific reference to the effect of this legislation on the elderly people in rural areas. I know from personal experience that during the past 15 years the incomes of most Canadian farmers have been much below the hoped-for level. In fact, it has been readily admitted by successive ministers of agriculture that income in the Canadian agricultural industry has been a serious problem in that the costs of farmers have been increasing and the prices they have been receiving for their commodities have been remaining static or in some cases have even declined. This has had an effect on those farm people who have come to their retirement years recently and, because they have had low net incomes over the past decade, are facing a very bleak retirement. Until such time as the Canada Pension Plan takes full effect, which is still almost a decade away, these people have little to hope for in the way of enhanced retirement pensions. Is it really asking too much of the

government or the minister to consider this specific aspect of the problem of universal old age pensions?

In my opinion it is partly the fault of the Canadian government that net farm income has been low over the past decade. Since it has been partly the fault of the government, it seems to me there is an onus upon the government to take some tangible, concrete step to alleviate the problem facing these farm folk who are coming to retirement age in the immediate future. I know the Canada Assistance Plan will be of some help in this regard. However, there will be this complicated, protracted means-needs test type of investigation. Many farm folk find this very awkward because a computation must be made of their net assets. The value of their old machinery must be computed and the value of the land and old buildings. This is really an administrative nightmare for a social worker or anyone taking applications for old age assistance in these farm areas and trying to determine whether or not these people have the means to meet their needs.

So, Mr. Speaker, I should like to conclude on this note. While the Canada Assistance Plan now before us is perhaps in some ways a distinct improvement over the situation which has existed, nevertheless in one important respect it is a very real disappointment. While it may succeed in providing certain improvements in our social assistance programs, it nevertheless imposes this means-needs test—I use the two words conjointly—on the many elderly people of our country. I dare say the country could well afford, and should want to afford, just a little bit better. The cost of living index has shown a substantial increase in recent months. Yet there has been no indication from the government what they intend to do about adjusting the universal old age pension to accommodate this increase. I hope the minister will not be so intransigent in this regard that he will simply not consider the request for some legislation to be introduced within a relatively short time to give our old age pensioners a level of income which at least approaches the income levels described as absolutely necessary by such organizations as the Toronto Metro Social Planning Conference, the Canadian Conference for the Aged and so on.

As a new member of the house I am actually astounded when I watch the government stubbornly refuse to admit that the present old age pension level is simply unacceptably low in the light of the cost of living. I am astounded that the government has not been moved so far to take any tangible, direct action to deal with this matter. There is no point in my saying any more, Mr. Speaker, for the simple reason that if the government cannot be persuaded in a few words, with complete absence of taunting, complete absence of acrimony, then it is not likely they will be persuaded at all.

• (10:50 p.m.)

In the meantime we can only be sorry for these people who are over 65 years of age and who have another ten years ahead of them. In fact they will never become eligible for any kind of decent pension under the Canada Pension Plan. Their future at the moment seems bleak and without much hope unless they wish to go through a complicated, and in my opinion unnecessary, means-needs test. The minister should make amends before he is condemned by the elderly people of this country.

Mr. Cameron (High Park): Mr. Speaker—

An hon. Member: Filibuster.

Mr. Cameron (High Park): I am not filibustering, I want to ask a question. I appreciate very much the moderate and very proper way in which the hon. member for Springfield presented his case. Like all members of the house I have a problem about which I want to ask him a very simple question. It is this. Rather than require pensioners to show a reasonable need, does the hon. member support the principle that we should pay the extra $25 a month to hundreds of thousands of people who do not require it at all?

Mr. Monteith: There are not hundreds of thousands.

Mr. Cameron (High Park): I have asked the question, Mr. Speaker. I am sure the hon. member would be glad to supply the answer.

Mr. Schreyer: Mr. Speaker, there is no simple, arithmetical answer to that question. In the end it is a matter of judgment, of philosophical conviction as to the position one takes on the matter. As a member of the legislature of Manitoba for several years I came into close contact with a lot of elderly people, widows between the ages of 60 and 65, who were facing precisely the kind of problem that many hon. members in recent days have been talking about. I found that in almost every case they had to go through the very awkward, complicated and unnecessary

procedure of filling out an O.A.A. and disability allowance form at length, stating their assets, the value of their chattels, equipment, machinery and so on, in order to qualify for a minimal subsistence type of pension.

I would say to the hon. member who posed the question that it is so much simpler, and I think it saves the taxpayer money, to grant this type of assistance on a universal basis and then to recover it by means of the ordinary income tax process to which all income-earning people in this country are subject. In the end, I hazard to say that in not too many years social welfare and assistance-type legislation in this country will evolve toward the kind of guaranteed annual income which will be based in turn on a sort of income tax process. Those people who are in receipt of a guaranteed annual income but who have no real need of it because of their own earned income will simply have this money turned back to society for them, and I see nothing terrible about that.

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I have listened to the many speeches from across the floor tonight and I noted that one speaker referred to farm families.

Mr. Monteith: Filibuster.

Mr. Hopkins: I was born and raised on a farm and I am proud of it. I have heard that people on farms are somewhat ashamed of the position in which they are today. My mother and father still live on a 100-acre farm in Ontario and they are aged 65 and 67. They are proud to live there and I am proud to say that they are living there; and they are not one bit ashamed of their occupation. I should like to say, Mr. Speaker, that I am also amazed to hear the remarks which have been made—

Mr. Schreyer: Mr. Speaker, I rise on a question of privilege.

Mr. Hopkins: —particularly by the members of the New Democratic Party.

Mr. Deputy Speaker: Order. The hon. member for Springfield is rising on a question of privilege.

Mr. Schreyer: Mr. Speaker, my point of privilege is this. The hon. member for Renfrew North is leaving the distinct inference that other members on this side are somehow ashamed of their farming connections. If that is the inference he intends to leave, I certainly do have a point of privilege. I repudiate that inference completely.

Mr. Hopkins: Mr. Speaker, if I may reply to that, I cannot blame the hon. member for Springfield if he has a guilty conscience. I did not name him in particular.

Mr. Peters: I will name you tomorrow.

Mr. Hopkins: But I think the hon. member for Lapointe (Mr. Grégoire) did mention the farming population.

Mr. Peters: And your 100-acre farms.

Mr. Monteith: Filibuster.

Mr. Hopkins: We have heard the cry of filibuster from across the floor. I hesitate to say this, Mr. Speaker, but I feel I must. This must be another guilt complex.

I do not usually rise in this manner and I do not want to create a disturbance in this debate. All I want to say is that it does surprise me greatly that there should be so much competition from across the floor on a bill from the government side of the house which deals with increased pensions for the blind and the crippled who are in need, as provided for by the Canada Assistance Plan which is before this house at the present time.

Mr. Starr: Eleven o'clock.

Mr. Hopkins: It also provides for widows who are in need as well as others who have inadequate incomes. I should simply like to say that the Liberal party of Canada has always been the champion of these people and as long as we are here we will continue to be the champion of these people.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

• (11:00 p.m.)

Mr. McNulty: May I have unanimous consent to revert to routine proceedings for the purpose of presenting a report of a standing committee?

Mr. Deputy Speaker: Does the house give unanimous consent to reverting to routine proceedings?

Mr. Starr: Before we agree I think it would be advisable that an explanation be given as to what is involved.

Canada Assistance Plan

Mr. McNulty: I wish to present the fourth report of the standing committee on national defence.

Mr. Starr: I think it could be done tomorrow or Monday.

Mr. Deputy Speaker: There is no unanimous consent.

It being three minutes past eleven o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, June 30, 1966

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES 1966-67

A message from His Excellency the Governor General transmitting supplementary estimates B for the financial year ending March 31, 1967, was presented by Hon. E. J. Benson (Minister of National Revenue), read by Mr. Speaker to the house and referred to the committee of supply.

• (2:40 p.m.)

NATIONAL DEFENCE

FOURTH REPORT OF STANDING COMMITTEE

Mr. Jim McNulty (Lincoln): Mr. Speaker, I have the honour to present the fourth report of the standing committee on national defence, in English and in French.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a question of privilege. As vice chairman and on behalf of all the opposition members of this committee I wish to inform the house that we formally dissociate ourselves with the report and the necessity for making it at this time.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

INDUSTRY

HEAVY WATER—ANNOUNCEMENT OF SITE OF SECOND PLANT

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, hon. members will recall that on June 14 last I informed the house that Canadian General Electric Company Limited had been granted an extension to June 30 for selection of the site for the heavy water plant to be constructed by that company.

I am now informed by CGE that the site selected is on the Cape Breton side of the strait of Canso in the province of Nova Scotia. An overriding factor in favour of this site was the deuterium content in the water that will be used in the manufacturing process.

A power plant, fuelled with oil with provision for backing up with coal, will be built by the Nova Scotia power commission to supply steam and electric power for the heavy water plant. It is hoped that in time these plants will be part of a larger industrial complex in Cape Breton in line with this government's concern to find new industries for the Atlantic provinces, industries based on modern technology and modern forms of energy.

The Minister of National Health and Welfare, who has been closely associated with the Minister of Finance and myself in this matter, rejoices in this announcement. I am sure the members representing the province of Nova Scotia in this house, the premier and the government of Nova Scotia will also share fully in these sentiments.

Some hon. Members: Hear, hear.

[*Translation*]

[*Later:*]

On the orders of the day:

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

In view of the announcement he has just made concerning the establishment of a heavy water plant on Cape Breton, would the minister tell us if there is hope for the establishment of such a plant on the Gaspé peninsula, as was recently stated, for the benefit of the people of Gaspé?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): The Gaspé peninsula and particularly the city of Gaspé was among the few contestants in the race. One of the reasons why an extension was granted to CGE for a decision was to allow the company to make a complete survey of all the proposals made.

Mr. Grégoire: May I be permitted a supplementary question? Can the minister tell us whether the citizens of the Gaspé peninsula can hope for the establishment of such a plant at some future date, or within a short while?

Mr. Speaker: Order. The question is not in order.

[*English*]

PUBLIC WORKS

ALASKA HIGHWAY—TABLING OF ENGINEERING STUDY

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, by leave I wish to table the report on the engineering study, Alaska highway—Canadian section—prepared by the Department of Public Works.

Mr. Speaker: Has the minister leave to table this document?

Some hon. Members: Agreed.

DIVORCE

CONCURRENCE IN SECOND REPORT OF SPECIAL JOINT COMMITTEE

Mr. A. J. P. Cameron (High Park) moved that the second report of the special joint committee of the Senate and House of Commons on Divorce, presented to the house on Tuesday, June 28, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Since the report is asking that the committee sit at the same time as the house and since we do not believe that members can be in two places at the same time, that is in the committee and in the House of Commons, we do not concur in that report and ask that it be passed on division.

[*English*]

Motion agreed to on division.

OLD AGE SECURITY

REQUEST FOR STATEMENT OF GOVERNMENT INTENTIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before we leave the order of motions, is it not the intention of the Prime Minister or the Minister of National Health and Welfare to make a statement on the government's intention with respect to old age security?

Some hon. Members: Oh, oh.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand we are debating the Canada Assistance Plan, and that will be a good occasion for the minister to make a statement.

Mr. Diefenbaker: When?

Mr. Speaker: Order, please. This question might have been asked on the orders of the day.

[Mr. Speaker.]

CRIMINAL CODE

AMENDMENT REQUIRING DISCLOSURE OF DRUG INGREDIENTS

Mr. Milton L. Klein (Cartier) moved for leave to introduce Bill No. C-217, to amend the Criminal Code (publication of ingredients of wonder drugs).

Some hon. Members: Explain.

Mr. Klein: Mr. Speaker, the object of this bill is to prevent a recurrence of such incidents as the public announcement in the press claiming curative action of an anti-cancer hormone, coupled with the refusal to divulge the ingredients thereof. Such premature announcement has caused great mental anguish, not only to those afflicted with the disease but also to members of their families. This bill would make it a criminal offence for anyone to make public pronouncements or to call press conferences claiming cures for dread diseases without first divulging all the ingredients of the formula to the National Research Council, where proper and adequate tests can be made.

Some hon. Members: Hear, hear.

Motion agreed to and bill read the first time.

OLD AGE SECURITY

REPORTED INTENTION TO INCREASE OLD AGE PENSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say whether the report in the press is correct—although this matter has not yet been brought before parliament—that the government intends to provide the necessary legislation so that $30 monthly will be available to pensioners whose family income is less than $1,260 a year? Does the government have this in mind? What is the nature of the plan it is going to place before the house? We would like to know whether the government has finally decided to capitulate in part to the demands of the opposition.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The first part of the question is of course out of order. I assume that the second part is acceptable. I have some doubts about the third part.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: What I am trying to do is seek information. In order to simplify it, I

ask the Prime Minister this. Is what is reported in the press correct, or is the press to have available information that is denied the house?

Mr. Speaker: Order, please. The question in this form is not acceptable. The right hon. Leader of the Opposition knows better than I do that hon. members cannot ask whether reports in the press are exact or inexact.

Mr. Diefenbaker: I will reduce it to simplicity itself, even to a paraphrase. Does the government intend to bring in legislation to this effect, as reported in the press today?

Right Hon. L. B. Pearson (Prime Minister): My answer will be simplicity itself. The government's intention will be announced in due course.

Mr. Diefenbaker: All this evasion and postponement of legislation for the old people.

Mr. Knowles: The government will be out in due course.

EXTERNAL AFFAIRS

BOMBING OF NORTH VIET NAM CITIES—STATEMENT BY U.K. PRIME MINISTER

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the statement made by Prime Minister Wilson dissociating himself from the action of the United States in bombing the Hanoi-Haiphong areas, may I ask the Prime Minister whether he has been in touch with Prime Minister Wilson, and whether he would be willing to associate himself with the stand taken by the British government.

Right Hon. L. B. Pearson (Prime Minister): I do not know whether the hon. gentleman is referring to all the matters that were dealt with in the British Prime Minister's statement. I understand from his question that he is only referring to that part of the statement which dealt with the British Prime Minister's "dissociation from the extension of the bombing, and that he is asking whether the government wishes to join in that dissociation".

In that connection, Mr. Speaker, I can only say that we have never been associated with the bombing of North Viet Nam, therefore the question of dissociation does not arise, only regret at its extension.

Mr. Douglas: On a supplementary question, Mr. Speaker; in view of the dangers inherent in the escalation of the war, are the Commonwealth prime ministers in consultation with a view to continuing the steps which they agreed to take at the last Commonwealth prime ministers' conference in an attempt to stop this escalation and secure some basis for negotiation?

Mr. Pearson: Yes, Mr. Speaker, I well remember, as does my hon. friend, that at the last Commonwealth prime ministers' conference an effort was made to help bring the conflict to an end by sending a Commonwealth mission of prime ministers to Viet Nam, a mission which was not agreeable to the government of North Viet Nam which refused to receive it.

In connection with the present situation, the Secretary of State for External Affairs has already been in touch with the United Kingdom High Commissioner, and naturally he will be consulting on this matter with other Commonwealth governments.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. I wish to ask the Prime Minister whether it is correct that during the visit of Mr. Bundy in Ottawa the Prime Minister made clear the view of the Canadian government that any change in the scale or pattern of hostilities could have serious implication for the efforts in which we are engaged to establish common ground on which an approach to a peaceful solution of the Viet Nam conflict could be built. Am I correct that this was made clear to Mr. Bundy?

Mr. Pearson: I think I made our position clear in that matter yesterday in general terms. I cannot confirm the precise words that have been quoted by my hon. friend as reflecting the talk I had with Mr. Bundy.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In view of the general fears that are felt not only by Canadians but by people throughout the world respecting events that have recently taken place in connection with the additional areas that are now being bombed by the United States forces, will the Prime Minister consider early next week—or indeed whenever the opening day may be following the week end adjournment—setting aside a couple of hours for this house to discuss this matter? This is a question that brings to all of us a sense of trepidation. An opportunity to discuss this matter will allow the views of Canadians as a whole to be expressed by their representatives in parliament.

Mr. Pearson: I will be glad to consider the matter, Mr. Speaker.

Inquiries of the Ministry

DOMINION DAY

REPORTED INTENTION OF CERTAIN STORES TO REMAIN OPEN

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is addressed to the Prime Minister, Mr. Speaker, as the representative of the government who would deal with this matter. Has the attention of the Prime Minister been drawn to the fact that several food and other chain stores in Ottawa and elsewhere intend to remain open for business on Friday, July 1, Canada's national day and a statutory holiday fixed by this house, and remain closed on Monday, July 4? If this is so, has the government taken into consideration any action it may take to prevent this rather regrettable and reprehensible practice continuing into 1967, when we celebrate our centenary?

Right Hon. L. B. Pearson (Prime Minister): I have seen references to this matter in the press. I shall be glad to look into it to see if there is anything within the federal government's jurisdiction which would cover this proposed action.

Mr. Lambert: May I ask a supplementary question. I am wondering whether the Prime Minister is opposed to this practice.

Mr. Speaker: Order, please.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Would it not be appropriate for the Prime Minister, Mr. Speaker, to make a declaration in this connection so that Canadians would realize that on this national holiday, Dominion day, there should be regard given in Canada to those things that are of our history and our very existence?

Mr. Pearson: Yes, Mr. Speaker, not only should there be an appropriate regard by all Canadians for their national holiday, but I am sure there is on the part of the great majority of Canadians.

PUBLIC SERVICE

FAILURE OF DEPARTMENTS TO FOLLOW RECOMMENDATIONS OF AUDITOR GENERAL

On the orders of the day:

Hon. George Hees (Northumberland): I should like to direct a question to the Prime Minister. In view of the statement in the latest report of the public accounts committee, which has received considerable publicity in the newspapers in the last few hours and with which I am sure the Prime Minister is familiar, to the effect that during the past two years many of the recommendations of the Auditor General for preventing waste of public funds have been ignored by many government departments, does the Prime Minister intend to instruct the ministers concerned that they must pay attention to these recommendations without delay?

Mr. Speaker: Order. It seems to me this is a question of a very general nature, and I do not think it can be asked in this way at this time.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO DISCUSSIONS WITH QUEBEC PREMIER

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the President of the Privy Council.

Could the President of the Privy Council tell the house if, at his meeting last Sunday with the premier of Quebec, a new formula to repatriate the Canadian constitution, and also the national medicare program, were discussed?

Hon. Guy Favreau (President of the Privy Council): Mr. Speaker, as reported, it was a first contact on the ministerial level and no attempt was made to solve the problems which might exist between the two levels of government. We made a broad survey of the situation, exchanged information and stated our positions without discussing them on all matters now pending with regard to relations between the two governments.

Mr. Asselin (Charlevoix): A supplementary question, Mr. Speaker. Could the President of the Privy Council tell the house if meetings will be held shortly to discuss the two matters mentioned in my question?

Mr. Favreau: That question is not hypothetical, because there should be meetings between the two governments, but I think that the purposes of those meetings, whatever they are, will be announced in due course.

[*English*]

EXTERNAL AFFAIRS

ARGENTINA—INQUIRY AS TO RECOGNITION OF NEW REGIME

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the Secretary of State

for External Affairs. Has the government any report to make to the house on the position in the Argentine? Is the new government there considered to be in full control of the country, and what is the position of the government of Canada with respect to the recognition of the new regime?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, no decision has been taken about the recognition of the new regime in the Argentine. The latest information we have is that the country seems to be under the control of the present administration.

LABOUR CONDITIONS

QUEBEC—REQUEST FOR TABLING OF REPORT OF MEDIATOR

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Minister of Labour. Yesterday during his introduction of a bill he referred to the fact that a report by Judge Lippe had been filed with him. I would ask the minister whether he would consider tabling that report, in view of the fact that he quoted it and stated that it was the basis for the action of the government in introducing the bill.

Hon. J. R. Nicholson (Minister of Labour): I will be glad to consider the suggestion, Mr. Speaker.

IMMIGRATION

VANCOUVER—DEPORTATION OF JAPANESE GIRL

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the minister of immigration. Some time ago I raised the question of Miss Endo and a deportation order which had been issued against her in Vancouver. I was wondering whether the minister had any additional information, which was promised earlier. Has the minister anything to add?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I did not get the name. Is this the Japanese girl in Vancouver?

Mr. Johnston: Yes.

Mr. Marchand: The Japanese girl in question has filed an appeal which is now being considered. I am just waiting for the judgment of the appeal board before making any comments.

Mr. Johnston: A supplementary question. Is the minister prepared to say that the immigration officials had another option which they could have exercised rather than issuing a deportation order?

Mr. Speaker: Order. That question is argumentative.

HEALTH AND WELFARE

ALBERTA—HOSPITAL UNABLE TO FUNCTION BECAUSE OF STAFF SHORTAGE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question relates to the urgent matter of an emergency crash program to recruit medical manpower in Canada, and is directed to the Minister of National Health and Welfare. Has the minister been informed that a fully equipped hospital in northern Alberta cannot function and carry on because there is no doctor?

Mr. Speaker: I suggest to the hon. member that the question as asked is not acceptable. He is asking whether the minister has been informed of something. I suggest that the question as asked is not acceptable.

[*Later:*]

Mr. G. W. Baldwin (Peace River): My question is for the Minister of National Health and Welfare. In view of the fact that there is now a very urgent situation in the town of Manning in northern Alberta, as well as in other parts of the north, where the equipped hospital and the population of several thousand people are without the services of a doctor, will the minister not give consideration to the suggestion very forcefully, frequently and eloquently expressed by the hon. member for Brome-Missisquoi with regard to establishing an urgent medical training program?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker.

NATIONAL DEFENCE

RIVERS, MAN.—REPORTED INTENTION TO CLOSE TRAINING CENTRE

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, may I address my question to the Minister of National Defence. Has he received any telegrams or telephone calls from the Rivers area expressing concern about the rumoured closing or disbandment of the Canadian joint air training centre at Rivers?

Inquiries of the Ministry

Mr. Speaker: Order. I have some doubt whether this is a matter of national urgency, and I wonder whether the hon. member is satisfied that it is. If he feels that the question is urgent then I would invite the minister to answer it.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I have not received any such communications to my knowledge. I will be willing to check with my office and advise my hon. friend.

Mr. Mandziuk: A supplementary question, Mr. Speaker. Is the minister denying categorically that there is any truth in these rumours, and is he saying that the government does not plan to close the base?

Mr. Speaker: Order. I have no hesitation in ruling out the second question.

TRANSPORT

ST. LAWRENCE SEAWAY—RECOMMENDATIONS BY AUTHORITY AS TO TOLL INCREASES

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Minister of Transport. An article in the New York *Times* of June 23 reports that the governors of a mid-west group of states are asking that St. Lawrence cargo tolls be eliminated. I would like to ask the Minister of Transport whether he has yet received representations from the St. Lawrence Seaway Authority for an increase in toll rates on the seaway.

Hon. J. W. Pickersgill (Minister of Transport): The answer, sir, is no.

CHURCHILL, MAN.—REQUEST FOR EARLY OPENING OF PORT

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. Previously he indicated that he would be glad to look into the possibility of an earlier opening of the port of Churchill in order to facilitate the movement of grain. Since ice has left the Churchill river a little earlier this year than last year and recent aerial surveys indicate that navigation is in progress, has the minister anything to report at the moment on this situation?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I did convey to the harbours board the suggestion that this matter should be looked into. I have not received a report from the board, but I will ask for one and communicate it to the hon. member.

[Mr. Mandziuk.]

Mr. Korchinski: A supplementary question. Can the minister say whether his department has been in contact with marine underwriters to see whether they also might be favourably disposed toward an earlier opening?

Mr. Pickersgill: I could not say without inquiring, sir.

[*Translation*]

BUSINESS OF THE HOUSE

INCOMPLETE ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct a question to the hon. Minister of Public Works, as leader of the house—he might take note of it.

In answer to question No. 1,595 on the order paper of June 29, I notice that 11 parts of the question were answered instead of 12. The twelfth one, which was not answered, reads as follows:

> Who gave the Dominion Bureau of Statistics the list of names of the five commissioners for the constituency of Sherbrooke?

Mr. Speaker, I should like to know if I can expect an answer to that question?

An hon. Member: The Minister of Trade and Commerce (Mr. Winters) answered that question.

Mr. Allard: In the absence of the leader of the house, may I direct my question to the hon. Minister of Trade and Commerce?

Mr. Speaker: Does the hon. member rise on a point of order? I assume he might have an objection concerning a point of order and I take for granted that the responsible minister will agree to take note of the representations the hon. member has just made.

[*English*]

SHIPPING

TABLING OF CORRESPONDENCE RESPECTING MANNING OF SHIPS

On the orders of the day:

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, my question is addressed to the Minister of Transport. Following the question I put yesterday, is the minister ready to table the correspondence between himself and the president of the S.I.U. in connection with manning of ships on the great lakes and the St. Lawrence?

Hon. J. W. Pickersgill (Minister of Transport): Yes, Mr. Speaker, I would be glad to table the correspondence.

Mr. Speaker: Has the minister leave to table the documents requested by the hon. member for St. Ann?

Some hon. Members: Agreed.

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the deep concern of scores of employers across this country about the extra contributions they must make to the Canada Pension Plan and the Quebec pension plan for seasonal employees, can the minister now state whether any machinery of government has been found by means of which it is possible that these people will be able to get their extra contributions returned?

Mr. Speaker: Order. It seems to me this question was asked of the minister previously on a number of occasions. I have some doubt whether it can be answered at this time. I might suggest that the hon. member put it on the order paper.

Mr. Keays: Mr. Speaker, with all due deference to your ruling it is possible that recently the minister may have found some means to bring this about, which he would like to tell the house.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I have not yet found a way of performing miracles.

PUBLIC SERVICE

NATIONAL DEFENCE—INQUIRY AS TO RECLASSIFICATIONS

On the orders of the day:

Mr. Robert McCleave (Halifax): My question is addressed to the Minister of National Revenue. I gave him notice that I would ask it, and it is raised because of a request by several national defence employee associations across Canada. The question is raised because of a lack of information about the red circling of positions in the new declassifications with respect to the Department of National Defence. I would ask the minister how soon we can expect information on this subject.

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the reclassification of civil servants is within the jurisdiction of the Civil Service Commission. I should be very pleased to inquire with respect to the information requested by the hon. member.

CUSTOMS OFFICERS—PROPOSED WORK TO RULE OVER HOLIDAY WEEK END

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. It appears that inspectors at border points have stated that they will work to rule this holiday week end. This will cause great congestion at the border crossing points. Has the minister any recommendations about this matter?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, at noon today I announced increases for 48,000 civil servants in group B, which will mean that approximately 1,400 customs officers who were formerly red circled will no longer be red circled. I understand the situation at Windsor and Sarnia to be that the officials in question are meeting tonight. I believe the result of these meetings will be that there will be no slow down.

I can point out to hon. members also that the members of the staff side conference representing the civil service associations are completely in agreement with the increases which have been announced for 48,000 group B employees.

Mr. H. E. Gray (Essex West): A supplementary question, Mr. Speaker. Can the minister inform the house whether removal from red circling will apply to customs and excise officers specifically at the port of Windsor?

Mr. Benson: Mr. Speaker, a good many customs and excise officers at the port of Windsor will no longer be red circled as a result of the adjustments in the group B rates. In addition, the Civil Service Commission and my particular department have agreed to consult with the employee organizations involved with respect to the red circling toward the end of this year, when there will have been sufficient opportunity for the Civil Service Commission to continue with its reclassifications and also for the departments involved to consider the movement of employees out of the red circled positions.

FORESTRY

INQUIRY AS TO CONTROL OF DUTCH ELM DISEASE

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, my question is for the Minister of Forestry. I

have given him notice of the question. Can anything be done to save our elm trees from the ravages of the Dutch elm disease?

Mr. Speaker: Order, please. I suggest that this question, although obviously and apparently urgent, might be placed on the order paper. The question does not deal with a sudden emergency, and I think the hon. member would want to put it on the order paper.

POST OFFICE DEPARTMENT

INVESTIGATION INTO GRIEVANCES OF EMPLOYEES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Postmaster General and ask him when he expects to be able to table the report on working conditions as a result of the inquiry being conducted by Judge Montpetit.

Hon. Jean-Pierre Côté (Postmaster General): For a while, Mr. Speaker, I thought I might be able to have that report tabled by the end of June. As there have been more presentations put before the judge, that report might be delayed until later this year.

NATURAL GAS

U.S. HEARING ON TRANSMISSION BETWEEN CANADIAN POINTS

On the orders of the day:

Mr. R. K. Andras (Port Arthur): My question is directed to the Minister of Mines and Technical Surveys, and the urgency of this question, Mr. Speaker, is based on the fact that in the matter of the application by Trans-Canada Pipe Lines Limited to export and import natural gas for transmission from western to eastern Canada through the northern United States, the National Energy Board has already completed public hearings. It is quite possible that the board will render its decision before this house meets again in the fall.

Mr. Speaker: Order, please. I would invite the hon. member to kindly put his question.

Mr. Andras: My question is this, Mr. Speaker. Is the minister aware of the existence of a brief presented by an intervener to the same application before the federal power commission in the United States, which brief contains a computorized study purporting to prove that the ultimate delivered cost of natural gas to southern Ontario will be lower if the existing northern Ontario route is adapted and looped, than by transmission through the proposed new United States route—

Mr. Speaker: Order, please. This is not a proper question.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Roger Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, as *Le Devoir* published this morning an item to the effect that the Minister of Forestry said he believes the defeat of the Lesage government can be attributed to the fact that he did not show himself to be concerned with real human problems, I should like to ask the hon. minister whether that is the opinion he expressed, and whether he does not also believe that the refusal of the government to agree to the $25 monthly increase of old age pensions we are asking for, which meets a real human need reveals the same unconcern.

Mr. Speaker: The question is out of order.

AIRPORTS

ST. JOHNS, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. Paul Beaulieu (Saint-Jean-Iberville-Napierville): Mr. Speaker, I should like to put a question to the Minister of Transport (Mr. Pickersgill).

[*English*]

Is the Minister of Transport ready to give me an answer about the airport in St. Johns, Quebec? We have been asking about this for six months now. The city council has come here, and we have all come here to ask him. He has said that he is studying it very carefully. I should like to get a definite answer, because this should be done before Expo and not after.

[*Translation*]

Mr. Speaker: If the hon. member is asking a question which has to be answered before Expo '67, I think he might put it on the order paper.

[*English*]

BROADCASTING

INQUIRY AS TO PRODUCTION OF WHITE PAPER

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Secretary of State.

Inasmuch as this is the last day of the month, I wonder when we can expect to have tabled the government white paper on broadcasting.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I beg the pardon of the house. I am afraid in this case, as in others where women are involved, I am a little late. Referring to the question, I would not anticipate that it would be later than next week. I am afraid it is not expected that I shall be able to table the white paper today.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. Can the Secretary of State assure us that we shall have this white paper before the house adjourns for the summer?

Miss LaMarsh: Without question, Mr. Speaker, although the date of adjournment is pretty questionable.

CANADIAN BROADCASTING CORPORATION

REPORTED DEFIANCE OF BOARD BY PRESIDENT

On the orders of the day:

Hon. Judy V. LaMarsh (Secretary of State): May I, while I am on my feet, reply to a question put yesterday by the right hon. Leader of the Opposition as to the accuracy or otherwise of certain views expressed on the program "Viewpoint" on national television with regard to the C.B.C. board of directors.

I have made inquiries of the president of the C.B.C., who is also chairman of the board, and am informed by him that the views to which the right hon. gentleman referred are not correct. The board of directors of the corporation have at no time issued instructions to the president in regard to Mr. Walker.

The hon. member for Timiskaming asked me a supplementary question in regard to C.B.C. news coverage of the same subject. I am informed that C.B.C. television news carried an item referring to a speculative report in the Toronto *Star* on its 6.45 p.m. edition June 28. The fact that the same item was not carried on the 11 p.m. newscast is attributable solely to normal news value considerations. No influence whatsoever was exerted to ensure that the item was not repeated.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I want to thank the hon. lady for giving an answer so promptly. I would ask her whether the C.B.C. board of governors at its last meeting came to the conclusion that Mr. Walker, who was vice president and general manager of the English network, should be removed.

Miss LaMarsh: Mr. Speaker, I do not know that. I do not normally receive copies of the minutes of C.B.C. meetings. Only such items as require governmental or parliamentary action are normally conveyed to me through the normal channels. Those matters go first to the president, who is also chairman of the board.

I have the president's assurance that no directions were given to him about the forcible or otherwise retirement of Mr. Walker. I am certain that if the board itself has expressed some things which it feels the government needs to act on, I shall be notified of this by a report, perhaps from the secretary of the board, at the conclusion of the meeting.

Mr. MacDonald (Prince): As a supplementary question, inasmuch as I believe today is the last day of the meeting of the board of directors before the fall and no assurance has yet been given to the "Seven Days" production people in Toronto that the show will continue next year, can the minister assure the house that this important program will be continued as in the past two years?

HEALTH AND WELFARE

REQUEST FOR TABLING OF LETTER TO HEALTH INSURANCE ASSOCIATION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of National Health and Welfare whether he wrote a letter on June 20 to the executive director of the Canadian Health Insurance Association having to do with the government's position regarding medicare, and, if so, will the minister table that letter at the earliest possible opportunity and in any event before the resolution on medicare comes up for discussion in the house?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker. I think I did send a letter recently to the president or chief officer of the health insurance association, and I shall be glad to table it at the earliest possible moment.

Inquiries of the Ministry

CANADIAN FLAG

INQUIRY AS TO PROSECUTION FOR DESECRATION

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, may I direct a question to the Minister of Justice. Would the minister indicate whether there is any law in existence which provides for the prosecution of those who desecrate or destroy the Canadian national flag and other national symbols? I think this question is extremely urgent, since many were destroyed last year in the province of Quebec during our national celebrations.

Mr. Speaker: Order. The hon. member cannot ask for legal interpretation of or advice about a statute.

Mr. Allmand: With all due respect, Mr. Speaker, I think it would be important if the Minister of Justice would let us know before the national holiday if any law prohibits such action.

Mr. Speaker: The hon. member still cannot ask that question. He cannot ask a minister if there is a law or if there is not a law. This is not a proper question at this period of our proceedings.

HOUSE OF COMMONS

INCORRECT TIME SHOWN BY CLOCKS IN CHAMBER

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question which I intended to address to the Minister of Public Works, but since he is not present at the moment I shall address it to his parliamentary secretary or to whatever minister is in charge of time. Is there any sinister significance in the fact that both the clocks in the house—

Some hon. Members: All three.

Mr. Brewin: —in fact all three, are approximately half an hour slow?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I think the hon. gentleman can rest fully assured that there is no sinister significance in this alleged fact.

Mr. Knowles: The government is behind the times.

[Mr. MacEachen.]

[*Translation*]

AGRICULTURE

QUEBEC—PROTESTS RESPECTING LOW FARM INCOMES

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Has he received from the C.F.U. Federation of the Sainte-Anne-de-la-Pocatière diocese representations deploring the low income of the farmers of this area from manufactured milk? Does the minister intend to make further proposals to the farmers so as to enable them to get a fair price for their manufactured milk?

Hon. J. J. Greene (Minister of Agriculture): No, Mr. Speaker, I have received no such communication.

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

Does the Minister of Agriculture intend to inquire as to the reason why farmers are not getting $4 per hundredweight of milk as promised in a statement he made earlier?

[*English*]

Mr. Greene: As I said yesterday, Mr. Speaker, our responsibility as announced under the dairy support program, namely, that there would be a national weighted average of $4 f.o.b. the factory, is being fulfilled, and I am keeping constant supervision over the program to assure that the federal responsibility in this area is fulfilled.

[*Translation*]

QUEBEC—REQUEST FOR COMPENSATION FOR STORM DAMAGE

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to put a question to the Minister of Agriculture (Mr. Greene).

On June 14 and 17 last, the apple growers of St. Pie, St. Paul, St. Hilaire, Rougemont and St. Jean Baptiste suffered losses of one and a quarter million because of hailstorms. Would the minister tell the house whether representations have been made to his department for grants to offset damages incurred by those apple growers?

Hon. J. J. Greene (Minister of Agriculture): I do not remember, Mr. Speaker, but I shall take the question as notice.

[*English*]

NORTHERN AFFAIRS

CONSTRUCTION OF REPLICA OF "GRANDE HERMINE" FOR EXPO '67

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I wish to direct a question to the Prime Minister. Because of the fact that the people of Gaspé are experiencing the loss of a possible heavy water plant, can the Prime Minister assure me that he will make sufficient space available in his office to receive a petition with 50,000 names on it requesting that the final destination of the *Grande Hermine* be Gaspé?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the people of the constituency of Algoma East are experiencing the same sense of deprivation and loss, and I shall do what I can to help the people of both constituencies in view of the decision that has been made.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed, from Wednesday, June 29, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the legislation now before the house contains the long awaited Canada Assistance Plan. For over a year the people of Canada, particularly the old age pensioners, have been told with a great fanfare of trumpets and clanging of cymbals that the arrival of the Canada Assistance Plan would solve all their problems. Now we have the plan before us and I must say it is a pathetic response to a great social need. One would almost be justified in using the old and hackneyed phrase that the mountain has laboured and brought forth a mouse.

Not only are the old age pensioners and the public generally disappointed in this legislation but there is a growing indication that many backbenchers on the government side of the house are equally disappointed. Last night it was an interesting spectacle to watch some of the ministers flitting like butterflies from member to member on the government side, trying to persuade them to refrain from taking part in the debate and assuring them that if they would just wait until the minister spoke their worst fears would be assuaged.

The government has even become so desperate that it has now started a rumour that the minister is going to make some pronouncement that will relieve the concern of the old age pensioners. If the government feels that concurrently with the old age assistance plan there ought to be legislation to increase the old age security pension, the minister had ample opportunity to announce that when he brought in this legislation.

Further, the Prime Minister (Mr. Pearson) had ample opportunity yesterday when the right hon. Leader of the Opposition (Mr. Diefenbaker) specifically asked him if the government would bring down legislation to raise the pension to $100 a month before there was a summer adjournment, but the Prime Minister brushed that aside. Today the Minister of National Health and Welfare (Mr. MacEachen) has had ample opportunity, either on motions or during the question period, to announce a policy that would give some hope to our older citizens that the government has not quite forgotten them.

If the minister is prepared to indicate that before we recess for the summer he will bring down concurrent legislation providing $100 a month to old age security pensioners at age 65, he has only to nod his head and I am quite prepared to sit down and give him the floor. But I am not prepared to fall for the old ruse of allowing the minister to close the debate and prevent members on this side of the house from expressing their opinions, on the supposition that he is going to do something, when all the record of the past indicates that the government is not likely to do very much.

• (3:30 p.m.)

In the first place, I wish to say that the Canada Assistance Plan is good administrative legislation. It will do many things which social welfare workers have been advocating over the years. First of all, it will remove many of the restrictive categories and will enable welfare workers to deal with individuals as people rather than as statistics in a given category. In this way it will provide a flexibility for welfare workers which they have not enjoyed in the past. Certainly in the matter of administering welfare programs this is a forward step.

This plan substitutes a needs test in place of a means test. This also has some advantages. One advantage is that where a provincial government is generous and where the

welfare worker is trained it will enable those administering the welfare programs to supply whatever funds are necessary to meet the special need of a particular case. That is something welfare workers have been asking for a long time. It is very difficult when bureaucrats lay down circumscribed conditions and maximum figures of allowable income or the amount of the grant which can be given to deal with special cases. A person may have diabetes and need insulin or a special diet. He may require a hearing aid. There is a whole host of things such as home care and special training that cannot be foreseen in the preparation of regulations which are necessary to give the welfare worker sufficient elbow room so that he or she can deal with special cases of need.

It should be pointed out at the same time that the needs test also has some distinct disadvantages. Where the provincial government is niggardly and where the welfare administrator is stingy the recipient can be worse off than he or she was before. The difficulty about a needs test is that it is a matter of subjective judgment. The concept of need is in the mind of the administrator. Consequently it is going to be difficult to exercise any uniformity of standards. Undoubtedly there will be different concepts of need as one goes from community to community and particularly as one goes from province to province. This causes me some concern, because unfortunately there has always been a disparity between the welfare benefits paid in the "have" provinces and those paid in the "have not" provinces.

One of the ideas inherent in an old age security pension as of right is that all Canadian citizens are entitled to the same amount of payment in their old age irrespective of where they live in Canada. I am concerned lest in relying upon a needs test without any standard of uniformity the "have" provinces can be fairly generous but the "have not" provinces, irrespective of how generous they may want to be, since they must match any payment they get from the federal government, may be required because of financial stringency to be much less generous than some of the more wealthy provinces. I cannot imagine anything which will contribute more to national disunity than to have a wide and growing disparity between the treatment of old people, widows, the crippled, the blind and the disabled, from province to province with less generous treatment in the poorer provinces than in the richer.

[Mr. Douglas.]

In my view the basic weakness in the Canada Assistance Plan is that it is wedded to the old concept of welfare. Assistance is still going to be granted on the basis of requiring each individual to pass a test. It is true it is to be a needs test rather than a means test, but it is still a test. It is an affront to human dignity to ask people because they are in bad financial circumstances to degrade and humiliate themselves by submitting to a test. What the government really is saying in this legislation is: We are going to help the needy people of Canada provided they are on their knees. I submit, Mr. Speaker, that there is little value in feeding the bodies of men and women if we are going to leave them with a sense of humiliation.

Last Sunday afternoon while I was attending a picnic in the city of Hamilton a long-time resident of that community walking with a cane hobbled up to me and said, "I want you to tell Mr. Pearson that I would rather starve than pass a test." I think he represents the view of hundreds of thousands of proud-spirited people in this country who are not going to submit themselves to a test and who feel, as a result of having toiled all their lives in helping to build Canada and bring it to what it is today, that they are entitled to the amenities of life without having to undergo an individual test.

The whole concept of welfare is changing throughout the world. In the United Kingdom at the present time legislation has been introduced to provide for a guaranteed annual income. In the United States a number of congressional and state committees are studying the same proposition, only they call it a negative income tax. Whatever terminology one may use, I am convinced we shall see public opinion in the years ahead force whatever government is in office to abolish the means test and the needs test and guarantee people in necessitous circumstances an income which can be determined by means of the income tax so that the individual will be assured that if whatever pension and income he has are not sufficient to meet a given minimum the government will make up the difference.

• (3:40 p.m.)

We in the New Democratic Party feel that if the government were to establish $100 per month pensions at age 65 and set up a guaranteed annual income measure providing, let us say, $1,500 per year for single people and $3,000 per year for a married couple, people who had nothing but their

pensions would still be entitled to some additional assistance under the guaranteed annual income measure. Those who have some private income in addition to their pensions, and this would be indicated when they filed their income tax returns, would not be entitled to any additional payment.

This would not rule out the need for the Canada Assistance Plan. There will still be cases of special need and there will still be instances where welfare departments will have to step in because of special circumstances and give additional aid over and above any assistance that may be provided as a result of old age security pensions and guaranteed annual incomes.

The tragic thing about this legislation is that it really does nothing for the elderly citizens of Canada. The groups who are affected, recipients of mothers' allowances, the blind and disabled, need all the help they can get and that is why I should like to see the adoption of a guaranteed annual income measure. These people need more help than can be provided now and, in some provinces, more than the provinces can afford to pay. There is nothing in this legislation which will help the people who are trying to survive on $75 per month.

I consider this legislation the cruelest hoax that has ever been perpetrated on senior citizens of this country because their expectations were built up by the government and by the Liberal party. I could bring in stacks of Liberal campaign literature which informed the old people of the great assistance they were going to get when the Canada Assistance Plan was adopted. For over a year every time we raised the question of increasing old age pensions we were told to wait until the Canada Assistance Plan was brought before the house. There is nothing in this legislation that will guarantee any assistance to the old age security pensioner. This measure does provide that if the provincial governments want to give additional money the federal government will pay part of the cost, but there is no guarantee that provincial governments will want to pay more and there are many provinces which may not be able to pay more.

What were the old people told about this Canada Assistance Plan? I have here the Toronto *Star* of October 16, 1965 which has a three-column, one-inch type heading reading "Pearson Pledges $100 A Month For Needy Old People". The article then states:

> The government plans to pay pensions of more than $100 a month to old people with no other income, Prime Minister Pearson said last night.

The article goes on to state:

> The Liberals proposed to concentrate higher pensions on people who need more than $75 a month and have no other income.

The article then quotes the Prime Minister as stating:

> Anybody who has only $75 from the state, and no other source of income, and needs more, even if it's $125—more than $100—should be in a position to get it.
>
> It's so simple to say, "all right, you gave them $75, we'll give them $100". But I'm not going to engage in any auction of the people's money for that kind of thing.
>
> Mr. Pearson did not estimate how much the proposed "Canada assistance program" would cost.
>
> He said only that his government is prepared to pay "a large share" of the extra pensions—leaving the rest of the bill to the provinces.

The Ottawa *Journal* of the same date carried an article under the heading "Pledges Pension Boost" and the subheading "Pearson Promises $100 Or More For Needy Aged". Every other newspaper in the country carried similar stories. Many of the old age pensioners took the government's promise seriously, that if they had no other pension than $75 a month they would be entitled to $125 a month. That is the kind of propaganda that was spread, but there is nothing in this bill which will guarantee them a five cent piece more than the $75 a month they are getting right now.

I accuse the government of a cruel deception upon the old people of this country. I accuse the government of playing politics with the hopes and expectations which they aroused in the senior citizens of this country. Having built up great expectations by advance publicity the government is now trying to hurry this legislation through the house by introducing it late, hoping thereby that they can get it passed before the public becomes aware of the fact that the old people of this country have been betrayed and deceived. With respect to old age security pensioners this plan is a deliberate attempt to foist off on the provinces a responsibility which belongs to the government of Canada.

In 1951 the government of Canada asked for a constitutional amendment to give it exclusive jurisdiction in the matter of providing old age security pensions and it got that authority. What is more, it got the tax revenue to provide these pensions through a 4 per cent surcharge on personal income tax, 3 per cent on sales tax and 3 per cent on corporation tax. That money has gone into the old age security fund and it is quite a fund today. It has a surplus now in the neighbourhood of

$250 million and it is going up at the rate of $20 million a month. It is estimated that by March 31 next the fund will have a surplus of $455 million.

The government can well afford to make some additional payment to the old age pensioners. It may be that it is delaying this in order to use it as an election gimmick during the next campaign. I do not know if that is the intention, but if so it is a terrible way to treat the old people of this country. Instead of exercising the jursidiction which the government asked for and instead of spending the money it has taxed for this purpose, what is the government doing? It is now saying that $75 per month is all it is going to pay old age security pensioners.

The old age security pensioners need more. The Prime Minister said in a television interview during the last election campaign that they might need up to $125 a month. The government now says that if they need more let the provinces put it up and the government will pay half. There is no reason why the provinces should pay any part of this increase because these people are the exclusive responsibility of the government of Canada. The provinces have plenty of other responsibilities. They have all the rest of the welfare field lying at their doorstep and have inadequate financial resources, particularly in the have-not provinces.

This government has no excuse whatsoever for trying to shift part of its responsibility for looking after old age security pensioners on to the shoulders of provincial governments. There can be no doubt that the federal government can afford to increase these pensions to $100 per month, particularly in view of the surpluses that are building up in the old age security fund.

• (3:50 p.m.)

I hope the minister will not follow the line that has been followed by the Prime Minister on some occasions, namely, of pointing out that inflationary pressures would build up if we increased the old age pension. The old age pensioners are in a very anomalous position. When we are in a deflationary phase in the business cycle we do not give them an increase because we cannot afford it. When we are in an inflationary phase in the business cycle we cannot give them an increase because it will cause inflationary pressure. So the old age pensioners cannot win. If the government is convinced—I am not—that there is too much money chasing too few goods and that somebody's purchasing power must be curtailed, the last people who ought to have their purchasing power curtailed are the elderly citizens of this country.

Some hon. Members: Hear, hear.

Mr. Douglas: These are the people who need every dollar they can get just in order to live. Like all members of parliament I get letters from people all across this country. Here is one that came to me from the city of Toronto from a woman of 74 years of age who has been a widow for 10 years, is a diabetic and is partly crippled as a result. There is one phrase in this letter that has stayed with me ever since I read it. I could not get it out of my mind. She says:

> I do hope and pray we will get a raise this month as I know I get hungry at times and I guess we all do. We will hope and pray for a brighter future.

When I think of a woman 74 years of age having to say "I get hungry at times" in a country that has the second highest standard of living in the world, a country that is in a state of affluence, a country whose gross national product has been increasing steadily throughout the years, it is certainly a reflection upon the adequacy of our social security program.

The argument which is being put up by members opposite, not by their speeches because they have been very careful not to make speeches but by their interjections, was expressed very well yesterday by the hon. member for High Park (Mr. Cameron) as reported at page 7076 of *Hansard* when he interrupted and asked a question. He said:

> Like all members of the house I have a problem about which I want to ask him a very simple question. It is this. Rather than require pensioners to show a reasonable need, does the hon. member support the principle that we should pay the extra $25 a month to hundreds of thousands of people who do not require it at all?

Another member across the way interrupted yesterday to say, "Do you think that we should pay a pension to a person with an income of $10,000 a year?" Mr. Speaker, in the first place we thought this type of argument had ended long ago when parliament decided to set up an old age security pension without a means test and to pay it as a matter of right.

What about the question of paying this pension to people who do not really need it? First of all, how many are there? I think the figures show that of the people 70 years of age or over in this country the number with an income of $10,000 or over is 1.1 per cent.

We have to ask ourselves: Is it better to make 99 per cent of the people go through the humiliation of a test lest we pay too much to the 1 per cent? I would also remind the house that even the 1 per cent who may not need the pension have through the years paid their income tax surcharge and the 3 per cent sales tax into the old age security fund and are entitled to the pension. They have paid for it; it is not charity.

Mr. Starr: And they will be paying on this, too.

Mr. Douglas: Furthermore, if their income is high enough the $100 a month that we are proposing would put them into an income bracket which would mean that a good part of the pension would be taken back in tax. We in the New Democratic Party take the position that it is better to recover by means of income tax from the few who have too much rather than humiliate the many who have too little. We had hoped that the type of argument advanced by the hon. member for High Park and others, namely, that we cannot give everybody an increase in the pension because somebody who does not need it may receive it, had disappeared long ago.

Mr. Speaker, as I said earlier, we want a guaranteed annual income on a negative income tax basis. We want to see the end of tests. What the government is proposing here is that the old age pensioners will get $75 a month as of right. But anything more they get they will get by virtue of passing a test and on the basis of the generosity of the provincial government, and then the federal government will come in and pay part of the cost. I say that the government's failure to announce concurrent legislation, along with the Canada Assistance Plan, to raise the old age security pension is a betrayal of the people's hopes. We are not opposed to the Canada Assistance Plan. We do not object to what is in it. We are profoundly disappointed about what is not in it and the provision it does not make for the people who were led to believe that the Canada Assistance Plan would be the charter of their salvation.

I say that the Canadian people, when they realize the full implications of the government's neglect of our elderly citizens, will rise in their wrath and condemn this government. After all, the cost of living, which is bothering every family in Canada, falls just as heavily on the old people. In many ways it falls more severely on the old people because while in the last 12 months the weighted cost of living index for all commodities went up 4 per cent, if one takes the specific commodities which people must buy in order to live, food, clothing and shelter, those items have gone up more than 4 per cent. Consequently the cost of living for these old people has gone up to a very marked degree.

When the workers find that the cost of living is going up faster than their wages they have trade unions in many cases and can do something about it. They can negotiate a new agreement; or they can go out on strike if they want to. When farmers are pushed too far they can wheel their tractors out on the road. But these old people have no weapons with which to fight in the economic jungle of our modern society. They have nothing to appeal to except the conscience of the Canadian people, and I believe that the conscience of the Canadian people will be touched as they realize the full implications of the government's neglect. I am convinced that the backbenchers on the government side have had their consciences touched. I am convinced that if the government were to allow a free vote today on whether the old age pension should be raised to $100 a month at age 65, the motion would pass. Only the government's intransigence has kept them from passing it now.

• (4:00 p.m.)

I listened in particular to the comments made yesterday by the Minister of Transport (Mr. Pickersgill) and I can only come to the conclusion that the government's arrogance has dulled their sensibilities. When the Minister of Transport said yesterday that we have the best social security system in the world he certainly proved either that he does not know what he is talking about or that he has become so completely insulated from the people of this country that he has returned to the arrogance of 1957. Because any person who will look at the social security systems of some of the other countries of the world would not make the kind of statement that was made by the Minister of Transport. I invite the Minister of Transport to go out and tell the old age pensioners of this country, who are trying to eke out an existence on $75 a month, that we have the best social security system in the world—let him try telling them that and see what their reaction will be.

I think the government should stop and take stock. They are in a minority position in this house. They have stayed in office for the very obvious reason that no party today wants to put this country to the cost of another general election. So the government

has been given a free hand in bringing down legislation and has obtained the co-operation of all parties of this house in proceeding with their program.

I want to tell the government that unless they do something about the plight of old age pensioners, the opposition parties in this parliament will be justified in combining and putting this government out of office. I think the people of Canada would support them in taking such a step. After all, the last time the Liberal government was defeated was in 1957, and the reason for its defeat was that it had become so arrogant that it lost touch with the feelings and the social conscience of the Canadian people. Despite the fact that they had a large surplus in the treasury, the very best they could do was to raise the old age pension by $6 a month. When opposition members of that day raised their voices in protest, they received the same kind of answers that we have been getting these past two or three days.

But when the government—dubbed as the "six bucks boys"—went to the people in the election of 1957 they found that the reaction of the Canadian people was such as to put them out of office. I suggest they would be wise not to make the same mistake again. The Canadian people are patient and long suffering but their patience is wearing thin. The great bulk of the Canadian people, concerned as they are about their own problem of getting sufficient income to meet the rising cost of living, are also concerned about their neighbours and their fellow Canadians. There is hardly a community in Canada in which there are not old people who are in need, and these people have touched the conscience of their neighbours and their friends.

I want to tell the government that the Canadian people will not put up too long with a government that refuses to take the steps which are so obvious and to use the money which is now available in the old age security fund to provide these old people with some of the amenities and decencies of life. If this government wants to put some muscle into its war on poverty, here is the place to begin.

Let them begin by bringing in concurrent legislation so that in addition to the Canada Assistance Plan the old age security pensioners of this country will get $100 a month, not by passing a test, not by having to depend on a generous provincial government, but by right, and by virtue of the fact that this parliament has made it clear that it will live up to its federal responsibilities for the elderly people of Canada.

[Mr. Douglas.]

Mr. J. E. Brown (Brantford): Before the debate on second reading terminates, Mr. Speaker, and before we go into committee I should like to make a brief statement. Because of the fact that my name had been mentioned on one or two occasions during the debate I thought I should say something to the house at this time. The questions I asked the Minister of National Health and Welfare (Mr. MacEachen) respecting the increase in the old age pension were directed to an increase in payments under the Old Age Security Act; these questions were not directed in any way to the Canada Assistance Plan. I wish to assure the house that my position in this matter remains unchanged.

The Canada Assistance Plan is a welfare matter. I have been advocating changes in the Old Age Security Act for the benefit of senior citizens without the requirement of a means test. And so, Mr. Speaker, I will reserve my remarks on the Canada Assistance Plan until we go into committee.

I wish to say at this time that I believe the plan which is before the house is a good one in that it benefits the disabled, the unemployed, the blind, the poor and the aged who need additional assistance to that which is provided under the Old Age Security Act. It represents a great advance in the welfare legislation, and I am all in favour of it as far as it goes. I understand it has been carefully considered by the provinces, which are in favour of it and expect this house to pass the measure.

I will refrain from making any further comments until we hear from the minister who, as he has indicated on several occasions, wishes to make a further statement regarding this act in winding up the debate.

Mr. Diefenbaker: A revised statement.

Mr. Brown: Perhaps the minister wishes to make a statement in view of the fact that the subject of old age pensions, which is relevant to this debate, was constantly brought up during the course of the discussions in the house.

In closing, Mr. Speaker, I wish to comment in general on the debate that has taken place, particularly that of yesterday. I believe that the level of the debate was at all times very high. I am referring specifically to the speech made by the hon. member for Simcoe East (Mr. Rynard) who spoke first on behalf of the

opposition in respect of this bill. His speech was restrained, logical and forceful as well as helpful to all members.

• (4:10 p.m.)

Then, the hon. member for Winnipeg North Centre (Mr. Knowles) made a reasoned, clear and constructive contribution to the debate. All these members are concerned with the subject of the welfare of the senior citizens of Canada. I believe the debate indicated that they have a feeling which is shared all over this house that the means test or even the needs test, which is an improvement over the means test, should not be used with regard to the senior citizens of Canada. In spite of a few remarks which were made on both sides of the house, I want to say in conclusion that I thought the debate on this subject was a credit to the House of Commons on the eve of Canada's 99th birthday. I believe all hon. members at all times upheld the dignity, honour and reputation of parliament.

Mr. Andrew Brewin (Greenwood): I usually do not intervene in debates in this house on social and economic subjects, Mr. Speaker, the reason being that I have been assigned certain other responsibilities. However, I feel that if I did not intervene in this particular debate I would be derelict in my duty, particularly my duty to my constituents. I know of no single subject upon which my constituents are more concerned than the subject which is being discussed in this debate. On no single subject have I had more letters, more sincere and moving letters. I imagine this is true of every member in the house. I am not forgetting the fact that when I went around to seek election, as other members did, I called upon many people in the constituency and person after person urged me, if I did anything in this house, I should do my best to work toward an increase in the old age pension.

Such oratory as I have, Mr. Speaker, is not of the tear jerking variety. I do not propose to try to put into rhetorical terms the situation that faces many of my constituents, who are typical of people all across Canada. However, I want to read one or two letters which were brought to my attention and which set out typical situations about which we have heard. I quote:

> I am going to be 80 years old in a few months and I have been receiving the old age pension since the age of 65.
>
> The money I am receiving from the pension is not enough to keep me going, Mr. Brewin. I've needed new glasses for one year now and I am not able to buy them. Because of this I am not able to read and my eyes burn terribly.
>
> The doctor informs me that I also have a hernia. I need medicine at times, and I cannot buy it. I have no other income but my pension.
>
> I am not eating properly since I must be extremely frugal in order to survive.
>
> People have told me to write to you, Mr. Brewin, and they said you would help me to receive $100 or $104.

I do not believe it would be a very fair answer to this person if I were to say that, well, some time in the future we may be going to do something about this or if I were to say, well, the weather is getting hot, the government is anxious to have a recess, at a time when we have an opportunity to speak up for these people as a result of this debate. If I were concerned about matters of that sort, if I were worried because somebody said I was filibustering or taking up time unnecessarily, I believe I would be failing in my duty if I did not bring these matters to the attention of the house.

I have another letter here, Mr. Speaker. This letter contained a small article from the Toronto *Telegram*, and the person who wrote to me from my constituency told me that this statement is, to his knowledge, absolutely true. I should like to read it:

> Hundreds of old age pensioners in Toronto are slowly starving to death—

This may be a sensational statement, but wait until you hear who makes it.

> —a Toronto nun claims.
>
> "The public is not aware of the vast number of pensioners suffering from malnutrition," says Sister Mary Vianny, administrator of Providence Villa home for the aged.
>
> "Anyone would find it difficult to live on $75 monthly. More than 250 of the 500 persons at Providence Villa must receive outside help in order to survive on the regular pension."
>
> Speaking at an interfaith rally of the United Appeal, Sister Vianny said that despite government grants in addition to regular pensions, it costs the home more than $20 a month to "give each resident proper care."
>
> She said that Providence Villa was being asked increasingly more to care for pensioners.
>
> "Money is not the only answer," she suggested. "Many older persons living alone do not receive the proper care. They are just sitting in their rooms slowly starving to death."

I believe this to be a statement of fact. I am not putting it forth in sentimental terms because I believe it is a fact. I have called on many of these people and spoken to them. I know that they have this $75 a month. I know that eventually, at some time in the future, through this assistance plan which we are now discussing if the provinces take it up as no doubt they will, these people may be able to get the extra amount they need. But I say that these people are slowly starving to

death now. These are not my words, they are the words of an experienced social worker speaking to an experienced group.

I could go on and cite other letters of this sort which I have received, but I will not. However, I do have a letter which I think is perhaps typical and it says:

> Our government is in trying—

I do not know what that means.

> —to solve scandal problems instead of improving legislation such as the old age pension on which the undersigned are dependant upon for a decent existence. We would appreciate it if you could approach the government on our behalf—

This letter is signed by a group of pensioners of the Baron Byng Legion, branch No. 1, Ontario, within my constituency. There are many signatures on it. This being the situation, Mr. Speaker, this is our opportunity to bring to the attention of the government the fact that this is not a political issue or a fictitious issue. This is a real matter affecting people. If we were in a situation in which the required action were impossible to take, then I believe it would be our duty to say so frankly. We would be doing something wrong if we were to hold out hopes that were impossible of fulfilment.

It is not our job, as I understand it, as members of parliament merely to reflect public opinion. If public opinion demanded that something be done that was impossible of fulfilment or would damage the economy of the country, then of course we should say so frankly, whether that was popular or unpopular, and take the consequences of doing so. We are not here merely to reflect opinion, as I understand it, we are here to exercise our judgment on policy. I say, with all the sincerity I can command, it is possible for this affluent country to pay this reasonable amount that is being asked here for all our old age pensioners. I am not going into the economics of the situation. So far as I am concerned, I know that inflation is a serious danger. However, as has been said by my leader, if it is required to impose additional taxation on people, on the well to do and even the less well to do, in order that we may have enough for the old age pensioners to save them from starvation, then I say we should do precisely that. I do not believe there is a single family in my constituency receiving an average income of $5,000 or $6,000 a year who would not pay the extra tax for this sort of thing. But they know very well that some old people perhaps own a home, and out of their pension they may have to pay $400 taxes. Streetcar fares and the price of bread, milk and rent have been escalating for the old age pensioners. I think I speak for the ordinary people of the country when I say that if it means that the imposition of some extra tax is necessary—and I am not sure it is; I am sure a lot of the cost of an increase would come back in one form or another—the people of this country would accept it as a measure of social justice, and with a willingness to be fair.

• (4:20 p.m.)

Mr. Racine: Would the hon. member permit a question in French?

Mr. Brewin: Certainly. In case I do not understand I will listen to the translation.

[*Translation*]

Mr. Racine: I do not want to misinterpret the hon. member. Is he suggesting that taxes should be increased in certain fields, in order to increase old age pensions from $75 to $100 and if so, in what field should the government impose taxes?

I would like the hon. member to enlighten us on that point.

[*English*]

Mr. Brewin: I am sorry, Mr. Speaker, but I cannot answer the hon. member in adequate French, so I will stick to English, particularly since the question is a complicated one. I am not making a budget speech at the moment but I could suggest a good many things. A capital gains tax would be one means. We live in an affluent society and if additional taxation is necessary, there are plenty of sources of additional taxation which might cut down the consumption of people on particular income levels—and the consumption of people like myself, as far as that is concerned—in order to provide the funds necessary to pay the extra old age pension.

I am perfectly prepared to accept that, and I think the people of Canada would be prepared to accept it if they knew the destination of this money and it was shown that a tax was essential. I am not advocating an increase in taxation. It may well be, with the buoyant revenue received by this government which has produced a boom which is still going on, as I understand it, that we do not need any extra tax. But if we do, let us as Canadian citizens and taxpayers be ready to pay the cost. As my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas), said, if there is a danger of inflation, must we take it

out on the old age pensioners who can least afford to meet this particular burden?

It was suggested, Mr. Speaker, at one stage of this debate by one or two interrupters on the opposite side of the house, and I think it was repeated in the newspapers—I do not think it was the more thoughtful members opposite who made this suggestion—that we in this part of the house are engaged in some sort of filibuster. I have tried to find out just what is involved in filibustering; it sounds like a nasty and sinister proposition. I found out that a filibuster, according to the definition in the Encyclopaedia of Parliament, 1961, is as follows:

> The obstruction of business in a legislature by dilatory tactics, such as speaking merely to consume time. The use of the word in this sense is almost confined to the United States, where the late Senator Huey Long spoke for nearly 16 hours in 1935. He introduced such irrelevancies as recipes for fried oysters and the life of Frederick the Great in a speech alleging an offence by the executive in placing in high-salaried positions men whose names had not been submitted to the Senate for confirmation.

It goes on to say that the United States type of filibustering is not permissible in the House of Commons, and would not be allowed under various standing orders. So that even if I or the members of my party were capable of filibustering, I think we would have difficulty living up to the standards set by Mr. Huey Long.

But, Mr. Speaker, are we filibustering simply because we in this part of the house, faced with what the government itself says is one of its most important measures, and believing that there are gaping deficiencies in it which affect our constituents and people all over Canada, are we to be accused of filibustering because in speaking about this matter we put the needs of our constituents before the house?

I have not been a member of the house for very long, but I do remember sitting here all summer to debate the issue of the Canadian flag. I do not know that I begrudged the time, but I think we spent 30 days on that matter. I think it was an important subject and I do not criticize any member of the house at the time who took part in that debate. But I say that a discussion of a day or two—and a day or two is about all this discussion will occupy—in order to help put before the house what our constituents feel and believe on this question is thoroughly justifiable. I would feel ashamed if I for one had yielded to any suggestion, or if the members of my party had yielded to any suggestion, that we should pack up our bags and go home and not talk about these matters at this particular time.

A filibuster is an obstruction of business by people speaking merely to consume time. We are not trying to obstruct business. We expect the Canada Assistance Plan to be passed within a day or two. We do not know that there is any hurry to pass it in the next day or two, but we expect it to be passed. We have made it absolutely clear that, although we think it is inadequate, we do think it is an advance and that it will get our support. But is that any reason that we should be accused in the course of a debate of obstructing the business of the house by filibustering, by speaking to consume time, when we bring before the house the plight of our own constituents in relation to the most important matter in the lives of many of our constituents that we have ever discussed in this house?

Anybody who makes such an accusation, Mr. Speaker, is being blind. It is suggested that it is a terrible thing, that we are holding up the house and do not want to go on a vacation. Personally, I think that that sort of talk is much exaggerated. I know that when the house does recess, as it probably will within a few days, the members of the house will have lots of work to do in their constituencies. I for one would be glad to have the opportunity to get back to my constituency and talk to my constituents about this matter.

I see nothing wrong with our desiring to have a reasonable vacation, in view of the work we do in this house. But to suggest that somebody who wrote an article in a newspaper or some government member leaked the idea that we were to get out by today, and that this would be the last day of this part of the session, and that therefore we are disrupting somebody's plans by insisting on an adequate discussion of the Canada Assistance Plan, is nonsense. We should sit here, if necessary, for as many weeks as are required to deal with this legislation, and to deal, I hope, with the parallel, sister legislation which ought to be introduced. It is clearly the will of the house that legislation dealing with an increase in old age pensions should be introduced. Personally I think that it would be very unfortunate if we in this house were to allow anything to interfere with our responsibilities in this regard.

I have said that the Canada Assistance Plan is a step forward. We have consulted the social workers who see the real advantages in it. We understand that in many fields, as has

been pointed out, the provinces have primary responsibility. But we believe that it is our responsibility in this house to deal with the question of old age pensions, and a minimal way of dealing with it at this time is to increase the pension to $100 a month without a means test. I want to say that in no other subject I have had the opportunity of dealing with in this house in four years am I more conscious of speaking the earnest prayers and desires of my constituents, whether they qualify for old age pension or not.

• (4:30 p.m.)

I give the government and this parliament credit for the Canada Pension Plan. The time will come when this problem may be solved. But is that any reason why we should, in the interim, disregard the rights of people who have struggled and worked to create the affluent society we are enjoying? I say no, Mr. Speaker. I should like my voice to be added to all the others which have spoken, not for my own sake, but for the sake of those people I have been chosen to represent, and especially for the sake of the older people, who are the people in urgent need. They hope that this house will do something for them.

I urge the government to reconsider this matter and to increase pensions, not at some future date, but now, or in the immediate future. I ask the government to yield to the clear will of this house and, I suggest, to the clear will of the people of Canada.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Does the hon. member for Beauce wish to put a question?

[*English*]

Mr. Racine: Yes, Mr. Speaker, I would ask the hon. gentleman a question. He did not speak in any way about family allowances. Does he think that they should be increased? What does he say about the views expressed by—I do not know whether he is the joint leader in Quebec—one of the leaders of the New Democratic Party? I should like to know if his party wants to increase old age pensions, family allowances and everything else?

Mr. Brewin: I never disagree with the leader of my party in the province of Quebec. If he has said that something is the policy of this party, he is right, and I stand behind that.

Some hon. Members: Oh, oh.

[Mr. Brewin.]

Mr. Racine: You could disagree when he is telling the province that he has the help of three ministers of Union Nationale.

Mr. Brewin: I am afraid that is getting a little out of my sphere.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to take a few moments of the time of the house to speak on behalf of the senior citizens in my riding whom it is my honour to represent.

I believe this legislation that has been set before us, known as the Canada Assistance Plan, is one of the greatest pieces of camouflage that we have ever seen in this house. I say that, because it was stated during the election campaign that if the senior citizens would only wait, this government would introduce legislation to be known as the Canada Assistance Plan that would take care of their needs and their wants.

However, I give the minister some credit for this legislation, because it has developed a new concept with respect to welfare work. This legislation has introduced federal assistance for the health care plan, the mothers allowances, child welfare and Indian welfare, also the social welfare workers provision for self training. All these things are good, and I congratulate the minister in tidying up all these welfare acts, which have grown like Topsy, and for bringing them all together under the Canada Assistance Plan.

Whom does this plan assist? It assists most of the people, but it leaves out those very important people who should have assistance, namely the senior citizens. There is no assistance for them whatever. There is not one nickel in this legislation for our senior citizens, unless the provinces agree to enter into the agreement set out with the federal government. It must be remembered that some provinces in Canada are not financially able to enter into this program. What will the senior citizens do in those provinces? The federal government, and not the provincial government, has the responsibility for the senior citizens.

We may take that for granted. What is the senior citizen get that money? He or she application. In your riding, sir, or in my riding we have senior citizens geting $75 a month. You and I know that it is not enough for them to live on, with the great increase in the cost of living. This bill says to them: "But you can get more money". And how does the senior citizen get that money? He or she has to go to the welfare office and, on bended

knee, say to the welfare officer: "Will you please give me extra money. I cannot live on $75 a month." Our senior citizens have to go begging for that increase.

Is that what this parliament wants our senior citizens to do? That is what is laid down in the bill, as I understand it. It says, in effect: "Go down to the welfare office and ask for a few dollars extra over and above the $75." This was not what was talked about during the election campaign. Now, however, we are faced with facts. This measure is what the government has presented to parliament, asking that it be endorsed.

The members on the other side of the house are not proud of this legislation, they are not satisfied with it. If they were they would be on their feet speaking in support of it, and giving it their endorsement. The Liberal members are not in favour of this legislation. As a matter of fact they are ashamed of it.

The situation we have is this: that this government refuses to give added income, which is so badly needed, to our senior citizens. Yet this same government can spend $6 million for a picture for the art gallery; it can spend $100 million in building a new national defence building 37 stories tall in this city; it can buy a ship from the Sorel Company in Quebec, pay $310,000 more for it than they should have paid, turn around and give the same firm the business of refitting it at an estimate of $750,000, and finish up paying $2,447,000, without calling for tenders.

Everywhere we look we can see money wasted. Yet this government refuses to provide much needed assistance to our senior citizens. The government has come forward with the Canada Assistance Plan, which gives assistance to everybody but to our senior citizens. For the life of me I cannot understand why this type of legislation was brought in at this late date, just when we are ready to adjourn, and asking us to pass it. This is important legislation and should have been one of the first pieces of business to be dealt with, so that we might have had a good chance of debating it from beginning to end.

I said I would be brief, so I conclude. I simply say that this plan offers assistance to nearly everybody but to those persons who should have it and need it most, the senior citizens, those people who helped to build this country. I ask the Minister to reconsider this bill.

• (4:40 p.m.)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I could not let this debate come to a close without adding a word, although I want to be very brief, because I hope all hon. members in this house will do all they can and I ask them to do so to have this legislation passed, although I believe 90 per cent of hon. members do not find it categorical enough. When one is thirsty and does not have a glass of water to drink, one drinks the few remaining drops in the bottom; I think that is the principle hon. members ought to accept this afternoon, in order to close this debate.

Some claimed that the opposition wanted to start a little filibuster. I do not believe, as an hon. member pointed out a few moments ago, that two days to deal with such an important matter is too long. This legislation should simply have come before the house at the beginning of the session, instead of trivial things such as the Spencer and Munsinger affairs. In fact, the government should endeavour to bring in serious legislation at the beginning of sessions, so that we can work on something solid.

As far as Bill No. C-207 is concerned, Mr. Speaker, we are very disappointed. We had been expecting it for a long while and we also expected to have a statement from the government to the effect that it would transfer to the provinces certain rights which belonged to them. Today, and this is after stating that it was short of money, that it could not raise old age pensions, the government says through its assistance plan, that it has money to spend. We would have thought that it would have given the provinces the money it had to dispose of, that is $100 million or $200 million, in order to enable them to improve their social assistance services. As you all know, the provinces, and the province of Quebec which I know more particularly, have their own social assistance plans, where everything is well defined, well determined, and for the completion of which the only thing lacking is money.

We would be pleased to see the Minister of National Health and Welfare return to the provinces what amount he may dispose of, such as $200 or $300 million, to enable them to operate in the field assigned to them.

We also expected a bill which would improve the conditions for eligibility of the pensioners, so that they might not be at the

mercy, as is often the case, of petty politicians. We also expected the provisions to explain the act clearly enough to prevent investigators from wangling their way out of tight spots. It would have been even more marvellous if the act could have been implemented directly without investigators.

What we expected most was that the government would keep one of its greatest promises, that to increase the old age pension; that is would be willing to risk some money. The government could have introduced that act, providing for an increase in the old age pension to at least $100 a month. I feel that in those two fields of endeavour, namely old age pensions and family allowances, the government can act directly and constitutionally. I feel it should have made every effort in those two fields in which it can act without transgressing our constitution, and it would have been congratulated for doing so.

It is all very well to say that an old person can live on a welfare cheque of $75 a month, Mr. Speaker; it simply cannot be done. It is impossible, and only a person who has no contact at all with elderly people thinks that way. For the past 30 years I have been mayor of my city and president of the school board, hence in constant contact with elderly people who come to our office to try to obtain the bare necessities. Although the province of Quebec has brought another amendment to the assistance of elderly people through the medical aid card and added a further amount up to $30 a month for drugs, I believe that if the federal government had wanted to be logical, and especially constitutional, it would have simply said to the provinces: We are prepared to hand over to you—not give you, I do not speak of gifts as concerns the provinces—$100 million, $200 million, to try to improve further your social assistance legislation and thus co-operate with your programs against poverty.

Mr. Speaker, it is the same with family allowances. The Quebec government is about to double family allowances and I think that this sum would have been accepted with delight by the new premier of Quebec; it would have helped to pay part of his increase in family allowances.

What do we have? First of all, we have a bill that normally involves the three levels of government, provincial, municipal and federal. We have a bill hatched solely by the federal government, while they should at least have had the decency to call in the interested parties to consider the possibilities, since joint programs and federal-provincial relations are involved. But no. We are presented with a bill containing a flood of words and a dearth of ideas. The bill has 21 pages and what do they say? They say to the provinces: "We will have some millions of dollars to redistribute." That is just about all the bill says.

When this bill is compared to Quebec social assistance, it will be observed that it is simply a repetition of the provisions of the Quebec Social Insurance Act. Without stating the amounts, without specifying this or that department, it provides for increased assistance.

• (4:50 p.m.)

Mr. Speaker, this is such a paltry bill it could have been condensed in one page instead of 21. And in one page it would have been in accordance with the constitution, whereas in 21 pages, the constitution is being infringed upon. When reference is made only to a few pages, the short title of the bill is used. Can you imagine? The short title of the act is the Canada Assistance Plan. We have always been aware of the Social Assistance Act. This reminds us of the time the federal government changed the title of ARDA to Rural Development. It was exactly the same act, but in order to give it a Liberal title, it was named: Rural Development.

I remember a legislation providing assistance which caused everybody a great deal of suffering—I was very young then—especially with regard patronage, and the word "assistance" in the title is extremely repugnant to us, as well as to the entire population.

The Assistance Plan is defined as follows:

> "Assistance" means aid in any form to or in respect of persons in need for the purpose of providing or providing for all or any of the following:
>
> (i) food, shelter, clothing, fuel, utilities, household supplies and personal requirements—

Why not include shoes, stockings and socks? Why not? This would lengthen the wording of the act.

It goes on:

> (ii) prescribed items incidental to carrying on a trade or other . . .
>
> (iii) care in a home for special care,
>
> (iv) travel . . .
>
> (vi) health care services,

Everything is listed. However, Mr. Speaker, all those things are already provided in provincial acts which are supposed to be administered under provincial authority.

Provincial authority in charge of social welfare, but "assistance" has been overlooked. The authority entrusted with the administration of welfare is the province. It could not be otherwise, because only the provinces are entitled to administer social welfare.

We suggest, Mr. Speaker, that it would have been much more logical for the government to say simply: We might help the provinces even more by turning over to them more of the money we took away from them.

Further on, reference is made to persons in need, and this is the major problem in our areas.

At this stage, I would like to point out that each government should try today to hire as investigators real social workers, with diplomas, free from politics, who respect the law; unfortunately, that is not the case in our regions. We still have small politically appointed investigators who indulge in politics.

As a matter of fact, I wish to tell the house about a case which I referred to the minister. It is about a man who brought up 16 children; he has been unable to work for a year and a half and he has certificates from three doctors to prove that he is disabled. He has not been working for a year and a half and there are still two young children at home, but he cannot get anything. Think of it. He has not received anything for a year and a half. Why? Because he has a small property worth about $3,500.

Well, I thought that the government would have allocated a taken amount to try to direct the investigators with regard to properties. A man who has acquired a small property the hard way asks for help and is told: Sell your property, go to the city, rent a house and then you will be able to get social assistance. I find that utterly ridiculous. And it goes much further, because in my own city we have had, for four years now, about 20 or 22 per cent of those immigrants who used to live in the country—at least those people who were without work—they had a small piece of land, kept a few head of cattle and had a small garden to get potatoes at least.

But if the couple in need wanted to stay on their piece of land, they could not get a penny under the legislation. And they have to leave everyting, go to the city, live in a rented house with all their children. And those people have seven, eight, nine, ten children.

Just think of those people coming to the city and there they yet get help, a pitiful allowance.

I sincerely believed that the government would have included in the legislation a clause to wake up the governments concerned and give the investigators the opportunity to help the families without depriving them of everything first.

I think that is one of the big problems of public assistance, because some people want to keep their small house, very often a modest house. And the cost of the government would be cut in half if it gave them a few cents to stay in their locality, instead of having them move to the large cities where life is so expensive.

I believe this is a capital point for the economy. As I said, 20 per cent of those people now live within the city limits and with the assisted persons we already had, almost 40 per cent of the people of our city are socially assisted. That is getting to be an epidemic for a city.

Well, I believe that if the legislation contained a section to correct such a situation, it would certainly be more substantial.

• (5:00 p.m.)

Now, as regards children. We have here persons under the age of 21 years, as far as foster homes are concerned. Well, this is another problem. I do not understand why public assistance—I am saying this to the minister because he will have the opportunity to discuss it with the ministers of the other provinces—would provide for a foster home but, on the other hand, gives nothing or almost nothing to the mother of a family, a widow with two, four, five or six children. If you can provide $30 or $35 per month for a foster home, then give the $35 per month to the mother. It would enable this mother to keep her children with her and it would not cost more to the government. You will provide it if she makes the sacrifice of parting with her children and sending them to a foster home. Then, why not give it to the mother, who wants to keep her children with her and who will surely discharge her duties in a much better way than the foster home?

You have examples today of foster homes where children are martyrs. Why? Because you forced the mother to throw her children out of her home.

Well, at least, let there be granted to the mother the same benefits as are granted to strangers for taking care of those children.

Well, Mr. Speaker, as I said a while ago, I would still have many points to make, but I do not want to take up more time.

First, I hope the minister will bring in some amendments before we pass this bill. Of course, if they had gone to the trouble of investigating further in the provinces, and if they had acted like in all joint programs, for this is, in effect, a joint program, there is no argument about that —if they had acted like in all joint programs, you certainly would not have brought forward a bill so empty, so poorly adjusted to the needs of Canadians on welfare and, above all, you would have accepted to pay $100 per month pensions to old people.

And what about family allowances? One would think it is useless to talk about them here. Nobody wants children any longer. I believe some hon. members, if they could, would remove the present allowances.

I ask the government to make an effort, for Quebec is going to double its allowances. Let the government make an effort and if it wants to go hand in hand with the province of Quebec, let it do something about family allowances.

[*English*]

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have heard the rather foolish word "filibuster" used recently. Since I have never been known for making many or long speeches, since I belong to that place in Canada which has the finest summer climate in the world, and since I think Ottawa has perhaps the worst summer climate, I will not be accused of participating in any such inappropriately described exercise. But if I thought any utterance or act of mine would in any way hasten the day when the senior citizens of this country would have a full measure of justice meted out to them in the way we are discussing, I would not hesitate to remain here throughout the dreadful months of July and August. I am not given to making rash promises or difficult pledges.

This has been, as members have said, an interesting debate. I think in this country we are going to have to look pretty carefully at welfare programs, and there are areas in which I, for instance, would find myself in quite strong disagreement with the people on my left, geographically and philosophically; but I cannot for the life of me understand the continuing difference of opinion about this particular area of welfare. I refer to the area which has been discussed by the last three or four speakers. I find it hard to see how the conflicts can be sustained when welfare for our older people—our senior citizens, to use a euphemism—is being discussed.

This is a sector of our population whose capacity for earning is either completely gone or painfully diminished. These are people who, like the rest of us, are living through a period of rapidly rising living costs, and who, because of their own situation, face in addition to the rising cost of living exceptional expenses because of advancing years—the cost of medicine, nursing, special care and transportation. Many of them are no longer able to own or drive a car.

Surely no one in this house or anywhere in Canada has to document the needs of people living today in Canada with the cost of living index where it is, and I am sure it is higher now than it was when I last checked it not too long ago. No one can decently, let alone comfortably, live on $75 a month or $18.75 a week. I do not think that anyone could or would for a moment suggest that this is a proper measure of financial assistance to the older people of this country.

I was much impressed during the last election campaign with the response which the people of my constituency gave to the platform of this party. I suppose no thoughtful member of any party is ever at any time 100 per cent in accord with what his party stands for, but I know that in all the years I have been a member of the Conservative party I have never been more proud of its position than I was in respect of its clear-cut, forthright and consistently retained approach to this problem.

We in this party think that for many reasons the $75 should be forthwith raised to $100. We have said this and, I am happy to say, backed our voices with our votes when this house was seized directly with the question; and for that I am very proud of my membership in this party. This figure should be immediately raised from $75 to $100. I believe that any astute and sensible government would have done so before now.

I am concerned, as I have always been concerned, about the means test, and whether it is euphemistically called a needs test or not does not really alter the case or mitigate my feelings of anxiety about it. The government has said that it has abolished the means test and that what is being used now is a needs test. How is the need established? Is it based on the colour of an old person's eyes or the part of his hair? No, it is established by a most undignified scrutiny into every detail of

an individual's life, in so far as his finances are concerned. Not only must one be poor, he must prove to some official of the state that he is poor. I think that to force this upon the senior citizens of this country in an indignity.

Another thing that concerns me, and I have good reason for concern about this, is the possibility of regional variation because of previous suggestions that perhaps an old person in Toronto needs more than an old person in Prince Edward Island.

• (5:10 p.m.)

Mr. MacDonald (Prince): Somebody else said that.

Mr. Macquarrie: No member of my party ever said that. For the people who have laboured long for their country, have paid taxes and discharged their obligations as good citizens, I think to have them appear before some authority and document the degree of their need is a degradation; it is unnecessary, it is an impropriety and it is an indignity to which I will never lend my support. I think that this country—and we have been saying this for a long time—can afford to look after this sector of the society which is, as one member said last night, the most defenceless of all elements in our population against the buffets of economic life.

I think we can afford to take this step at this time; and it is not by any means a giant step. I am sorry that in the Canada Assistance Plan, which has some meritorious features which I do not deny—indeed I welcome them—there is the needs test, the means test, and that behind it is the stubborn refusal of the government to recognize the needs of our older people.

There is one aspect of this debate which has interested me in particular. Hon. members opposite, including the minister and others on this side of the house, have made reference to the province of Prince Edward Island and to its premier Hon. Walter Shaw. The Minister of National Health and Welfare (Mr. MacEachen) in reply to a question said, as reported at page 6872 of *Hansard:*

> The position taken by the premier of Prince Edward Island is made possible or will be made possible through the provisions of the Canada Assistance Plan.

I should like to make a comment on that reply, Mr. Speaker. In the first place, the resolution in respect of this measure has been languishing on the order paper, lo these many weeks. That is the reference to time. I should like to say, too, that the government of Prince Edward Island under the leadership of Premier Shaw is providing for the payment of $100 per month to all its older citizens, and not only to those who come forward and document their poverty. This is a very important distinction.

I was sorry that the hon. lady from Vancouver-Kingsway (Mrs. MacInnis), for whom I have a high regard not only because of herself but because her husband was a Prince Edward Islander, choose to designate the action of the government of Prince Edward Island as a deathbed repentance. I should think that, considering what she and her colleagues have been saying for the last few days, the premier of Prince Edward Island should become their hero because he has moved to put into effect what they have been calling for. The government of Prince Edward Island is prepared to bear the full load of pensions without a means test.

Mr. MacEachen: Mr. Speaker, could I ask my hon. friend a question?

Mr. Macquarrie: Yes.

Mr. MacEachen: Is he aware that the proposal made by Premier Shaw depends for its implementation on the provisions of the Canada Assistance Plan and that that government proposes to enact its pension legislation under the provisions of the bill that we are now discussing?

Mr. Macquarrie: I should like to say to the minister that as I read this bill, and since he is piloting it through the house, I presume he read it too, the Canada Assistance Plan is for those in need, and the government of Prince Edward Island is paying its pension to all senior citizens without their having to prove need. Therefore the minister's statement is not on all fours with the actual situation.

Mr. MacEachen: Mr. Speaker, my hon. friend obviously is not aware that the government of Prince Edward Island proposes to apply a means test, and has requested federal co-operation under this plan to do that.

Mr. Macquarrie: Mr. Speaker, I think it might be well for the minister to look more carefully into the actions of the government of Prince Edward Island, for a variety of reasons; first, so he would know what he is talking about, and second, so that he might have an example to follow. I am telling the minister and the house that the government of Prince Edward Island is in the process of

paying the additional $25 to recipients of the old age pension, without a means test, and I expect my word to be taken on that.

Mr. MacEachen: That is not what the minister of welfare of Prince Edward Island told me.

Mr. Macquarrie: I would say that things have advanced in Prince Edward Island, and I wish the same pace of improvement could be engineered by the minister. We look forward to the day when a part of the burden now being borne completely by the province of Prince Edward Island will be shared by the dominion government through the Canada Assistance Plan. That will be rightfully under this legislation of course, for those in need.

This measure provides no device, no means whereby the dominion government will assist the province of Prince Edward Island in the payment to those who are not able to document their poverty. This is the fundamental difference between the program envisaged in this legislation and the action which the Shaw government has already taken.

I should like to say, while we are on the subject, that the Department of National Health and Welfare could have been more co-operative in this regard. When the province of Prince Eward Island sought from the minister's department the names of recipients of old age security cheques, I think the co-operation which could have been extended was not forthcoming. I would hope that this situation will be corrected; that even if the government refuses to pay $100 a month to all senior citizens, they will not refuse at least to give the names to a provincial government that is prepared to do so.

Mr. MacEachen: I have given them that assurance in a letter. There is full co-operation.

Mr. Macquarrie: I am glad to hear that. I was hoping the minister would not hold out in this negative attitude too long. We must get the situation straight. It is not for the province of Prince Edward Island to be paying all of the pension; it is not even, in my view, sufficient for the province to be paying half the pension; it is the dominion government which should be paying all the pension.

Mr. Knowles: All across Canada.

Mr. Macquarrie: I would say that in this one area of welfare which is now clearly a dominion responsibility the government should not hesitate to move in and give justice to our older people. I would say that they might well emulate Premier Shaw instead of criticizing him. The government of the smallest province of Canada has set an example in this regard, and I am proud that in the smallest of all the provinces, a province with a very limited revenue base, a province where the cost of services to its people is high, a measure of justice has been meted out by its government.

• (5:20 p.m.)

I say that Prince Edward Island, as it has before, has set a worthy example, and I honour Premier Shaw and his colleagues for doing this. I am not surprised they did it. Premier Shaw, as well as being the leader of my party in Prince Edward Island, is an honoured and prominent member of the national party to which I belong. He stood with us last October and November when we made our point of view clear. In the face of the failure of the dominion government to provide the money, he is doing it in the province of Prince Edward Island. I say to the hon. lady from Vancouver-Kingsway that Premier Shaw is the man whose example she should proclaim from the housetops all across Canada, and that she should not criticize him. Let us emulate the man, but let us not leave it to the provinces to move into the vacuum created by a vacuous government which is not honouring its oft proclaimed promise to bring about a measure of justice to the older people of Canada. I think that those who are pressing strongly, vigorously and even at length to have this legislation passed are doing a service to the older people of the country.

I do not accept very kindly the suggestion that we would be good fellows if we quietly acquiesced and vacated this place. This is an issue upon which much will be heard in the weeks or months ahead, and it is something on which I for one do not wish to give up. I do not want to see the provinces left with a burden which is properly that of the dominion government. I call upon the minister and his colleagues to act on this. They have changed their minds on many other occasions; they could much more worthily change their minds on this.

Mr. Norman Fawcett (Nickel Belt): I am quite well aware, Mr. Speaker that there is not too much that is new that I can add to this debate. However, being tremendously aware of the interest of my constituents in

the provisions of Bill C-207, I cannot sit quietly and not raise some strong objections to the government's seeming indifference to certain aspects of the bill, even though much of what I have to say has already been said more ably than I can perhaps express it. Nevertheless I must support wholeheartedly the arguments put forth by hon. members on this side of the house, and particularly those of my colleague the hon. member for Vancouver-Kingsway (Mrs. MacInnis) who so courageously, efficiently and, I might say, at all times, defends the cause of the millions of ordinary people all across the country. I do not wish to get into any conflict with the hon. member for Queens (Mr. Macquarrie) because I do not want to make the statement of the hon. member for Vancouver-Kingsway a point of argument, regarding what happened in Prince Edward Island.

One of the first questions I was asked by the news media following my election to parliament was whether I would support the proposed Canada Assistance Plan, which, as all hon. members know, was given a great deal of publicity during the election campaign. Recognizing the possibilities of such a plan, my answer was an unqualified yes. My answer today will still have to be yes, even though Bill C-207 is far from reaching the expectations I entertained for it. However, a slice of bread is better than no bread at all, and this in my opinion is what Bill C-207 exemplifies; a slice of bread where a whole loaf, or perhaps more truthfully many loaves, are needed. However, the principle behind the bill is a worthy one, even though the provisions of the bill fall far short of what is expected of them, particularly so with respect to our senior citizens.

As I understand it, a sum of $85 million will be made available by the government to assist in supplementing the pension of a great variety of people who, through no fault of their own, are unable to bring home a pay cheque to take care of their needs of every day living. The idea is commendable indeed, but when you take into account the great number of people who are in need of additional assistance of one kind or another, how far is $85 million going to go? How stringent will the rules and regulations have to be in order that a person might qualify for additional assistance? What degree of need will have to be evident before assistance is granted?

Taking into account the sum of money available and the many thousands who are now eking out a meagre existence on insufficient pensions of one kind or another, I think it is quite obvious that only a small minority will benefit from this legislation, and even those to no great extent.

This, Mr. Speaker, brings me to the point with which I am most concerned, and that is the plight of the many thousands who are now trying to get along on old age assistance. These are the people who deserve prior attention. But when a very large portion of this $85 million is siphoned off to assist disabled and blind persons, widowed mothers, and the many other types of assistance that are spelled out in the bill, then we must ask ourselves just how many of the aged people will get the assistance they need. Do not misunderstand me, Mr. Speaker, I do not wish to imply that there is not a very great need for assistance for people in the categories other than those who rely on old age assistance. The point I am concerned about is that in my opinion too few of the aged will get the help they so urgently require.

The second point I wish to make is also in connection with those living on old age security. Many of these people have through their lifetime contributed to their country and their communities. As my colleague from Vancouver-Kingsway has stated, they have built this country and many of them have performed a valuable service to their fellowmen. They have educated their children to become good and industrious citizens. They have lived through a major depression and did not have the opportunity to acquire much in the way of worldly possessions. Many have done well to manage to retain a humble home. Are we to subject these people to a means or a needs test, before they can qualify for a pension that will at best only provide necessary clothes and food? I reiterate what my colleague has stated: A decent pension is their right, and we should not deny it to them. They should not be required to answer numerous questions and to suffer humiliation in order to get this pittance.

I find it hard to believe that hon. members on the government side of the house have not received continual representations from across the country insisting on the need for an immediate increase in old age security pensions. I find it even harder to believe that anyone can turn a deaf ear to the pleas of these people. I do not think it should be necessary to go into any detail and to quote figures to show that the increase in the cost of living more than warrants a minimum

pension of $100 a month for our senior citizens.

I would like to give just one example of what I consider to be a typical case. It is a local case and I am well acquainted with it. It regards a husband and wife who are trying to maintain their humble home, which has been theirs for the past 40 years. The wife has not yet reached the age of 70, so they are trying to make ends meet on the husband's pension. When they tried to get additional assistance they were advised to sell their home and move into a small apartment. Needless to say they do not wish to give up a home that has been theirs for four decades. They have a small garden and their sole enjoyment and entertainment is in trying to keep their property in a presentable condition.

If the wife could qualify for the old age retirement pension without any questions asked, think what a load this would take off their minds. When I say old age retirement I mean a pension of $100 a month. This is the type of people who have too much pride to humiliate themselves by subjecting themselves to a means or needs test, whatever you like to call it. They have been an asset to their community all through the years. Surely they have the right to spend their remaining years in dignity and without feeling they are charges on the community. This is only one case, but I am sure it is typical of many thousands of others. I am sure that every hon. member in the house knows this to be a fact.

• (5:30 p.m.)

In conclusion, Mr. Speaker, let me say that as a new member I am amazed that the government would wait until this late date to bring before the house such an important piece of legislation. I have to ask myself the question, is it by accident or design that the measure was not placed on the order paper until most members were anxious to get away for a summer recess? Perhaps I am only a frustrated rookie member, but I am afraid I have already reached my own conclusion as to the degree of sincerity behind this legislation. I hope I am wrong and the government will yet take the action that is needed to ensure that our senior citizens will get the relief that is so long overdue and so badly needed. I hope the government will immediately introduce concurrent legislation to increase the old age assistance to $100 a month and reduce the age requirement to 65.

[Mr. Fawcett.]

Let me also stress the fact that according to all surveys $100 a month is insufficient. Unless some action is taken now to curb the inflationary cost of living and to provide decent housing within the means of our senior citizens, additional increases in old age assistance will be needed to ensure that these people can enjoy the measure of security they justly deserve. Before I resume my seat, Mr. Speaker, I should like to say that perhaps I have been a little naïve in answering the many letters requesting relief which I have received from old age pensioners. I have assured them that sooner or later the government would break down and give them the relief that was required. I hope I have not been naïve. There will be no one any happier than I if the Minister of National Health and Welfare (Mr. MacEachen) announces there will be concurrent legislation introduced which will give these people the additional increases they require without a needs or means test.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in the course of remarks about the Canada Assistance Plan by hon. members, one theme has tended to recur frequently, namely that the financial needs of the aged should be more adequately recognized, either through an increase in the old age security pension or through the adoption of a guaranteed annual income as recommended in the report of the Senate committee on aging, or in other ways. A number of complimentary references were made to the Senate committee report and it was suggested by some members that the government has not given sufficient attention to its recommendations. I should like, therefore, to devote some attention to that report and to assure you that it has been taken seriously and that action has already been taken on a number of its recommendations. A continued and careful study will be made of the report as a whole.

It should be borne in mind that the Canada Assistance Plan is a measure designed to support the provision of appropriate aid to any person in Canada regardless of his age, place of residence or the cause of his need. Thus, while it provides the basis upon which special attention can be given to particular groups in the country, such as the aged, it nevertheless helps to assure that the needs of all groups will be considered. Indeed, it is only through the development of very comprehensive and soundly conceived assistance

measures for the total population that the needs of particular groups can be adequately met.

This approach is recognized by the Senate committee on aging and is set out as the first principle for relating this approach to the needs of the aged. I quote from page 7 of the report as follows:

1. The welfare of older people is closely linked with the welfare of all Canadians. Many of the problems older people face are the result of new developments in society, such as rapid technological change, which are having their effects on other age groups as well. This means that constructive planning for old people cannot proceed on an ad hoc basis, but must rest on an analysis and understanding of the social situation.

2. Society has a responsibility to protect and assist disadvantaged groups in the population, such as older people under present day conditions, but in doing so must also take account of the wider public interest.

Commencing with this realistic approach to social need, the report of the Senate committee goes on to make a number of recommendations which, in its opinion, must be implemented if our society is to fully accept its responsibilities toward its older citizens. The first of these, and the one which has received the greatest attention, concerns the need for income security. Specifically, the recommendation is that an income guarantee program should be established. The Minister of National Health and Welfare (Mr. MacEachen) has already stated to this house that this proposal is being carefully considered, but that there are important implications which were not brought out in the Senate report which must be considered before any responsible decision can be taken. This view is held also by the Canadian Welfare Council, which has established a sound reputation as a responsible and well informed spokesman for the views of social welfare in Canada.

In a letter to the Prime Minister (Mr. Pearson) dated May 29, 1966, the council makes the following statement:

The council believes that the principle of a guaranteed income for the aged has much to commend it. However, there are many questions that should be studied, and related decisions made, before a conclusion is reached as to whether such a program should be undertaken. These questions are concerned with the proposal itself, and with current and future programs to improve the living standards not only of the aged but of all Canada's needy people.

The council sets out seven major questions which in its opinion need to be answered before a decision is reached. These are as follows:

1. Has parliament the constitutional power to institute an income guarantee program?

2 What priority should be given to the economic needs of the elderly vis-à-vis those of the rest of the population (recent studies carried out by the Canadian Welfare Council have shown that a relatively large proportion of the total population is living in poverty, many below the present level of the old age security pension).

3. Should a guaranteed income program as recommended for the aged also apply to the blind and disabled?

4. What would be the impact of a guaranteed income on the incentive built into the Canada Pension Plan to keep people 65 to 70 years of age in the labour force?

5. If such a program were inaugurated:

(a) What would constitute "income" for purposes of calculating the deficiency between what income a claimant has and what he should receive?

(b) How would the amount of the guaranteed income be determined and what devices would be necessary to keep it abreast of the standard of living?

(c) Would the guaranteed income be the same across Canada or would there be regional differences?

(d) What provision would be made for dependent spouses (under 65) and children, when the beneficiary is alive and when he or she dies?

(e) On what basis would an applicant's first year benefits be calculated?

(f) How would overpayments be dealt with?

6. What are the alternatives to such a program?

7. Should a sickness cash benefit program be established for all people with or without an income guarantee?

The Senate committee, in putting forward this recommendation, recognized that it had not been in the position to estimate the cost of an income guaranteed program, and suggested that the proposal should be given immediate study.

The Minister of National Health and Welfare has already stated that through the Canada Assistance Plan the federal government will contribute toward the cost of providing assistance to older persons whose income is insufficient to meet their needs.

● (5:40 p.m.)

He pointed out that no ceiling is set on the amount of the federal contribution and that the concept of assistance is sufficiently broad to cover any element of need that may be present. It includes, for example, the cost of a comprehensive range of health care services, the lack of which represents one of the most costly and worrying problems facing older people today. It includes institutional care and a variety of welfare services to which I will shortly refer in greater detail. It is anticipated that the substantial federal funds to be made available to the provinces will contribute materially to their ability to provide the additional assistance to all older persons who require it.

Canada Assistance Plan

I would now like to refer to other recommendations that appear in the Senate committee's report. There are in all 92 recommendations under seven headings, covering the general topics of income status and security, employment status and opportunities, health status and health care, housing status and needs, community services for old people, research and statistics, and planning and co-ordination. Many of the recommendations come within the area of responsibility of other government departments, where they are being given close attention.

I can take the time to list only a few of the recommendations that come within the fields of health and welfare. The following illustrate the range of needs to be covered, and you will note in some instances refer specifically to the Canada Assistance Plan.

Home care programs for the elderly should be greatly extended. They should include medical and nursing care, physiotherapy and other rehabilitative services, and visiting homemakers.

Counselling services provided by local welfare departments to the elderly and others should be a shareable cost under the Canada Assistance Plan.

Municipalities should extend counselling services for old people and develop foster home placement services.

Homemaker services should be accepted as a shareable cost under the Canada Assistance Plan.

Study should be given by the appropriate authority to the place and function of homes for the aged, and in particular attention should be given to prevailing admission policies, the possibility of alternative accommodation in sheltered semi-independent housing for relatively well ambulant patients, the placing of rehabilitation or "reactivization" programs, and the careful selection and training of staff.

Grants under the health and welfare training programs of the federal government should be used to increase the supply of workers equipped for work in the field of old age.

The welfare branch of the Department of National Health and Welfare should establish a specific division for the purpose of providing technical advice and up-to-date information with regard to day care centres, homemakers, meal services, counselling and such other welfare services for the elderly as come within its terms of reference.

[Mrs. Rideout.]

The Senate report clearly documents the need for the variety of social welfare services proposed, and indicates that, to the extent to which they are provided, older people can be helped to maintain their independence as fully and as long as possible. The Canada Assistance Plan has been specifically designed to give emphasis to the general approach put forward by the Senate committee, but in doing so includes the needs of the total population along with the needs of that particularly deserving group, the aged.

Let me list some examples of services provided for under the plan, and relate them to the aged. First, health care services, including not only medical, surgical and optical and nursing services, but also such important items as drugs and prosthetic appliances. Hon. members will know that one of the more costly items required by many older people is that of drugs, and the federal contribution toward this item alone will help to alleviate the concerns of older people who are presently unable to meet the high cost of medication.

Mr. Diefenbaker: Mr. Speaker, before the hon. member continues would she allow a question. She has mentioned the question of drugs and the alleviation of the conditions under which so many old people, as well as other people, operate owing to the high cost of drugs. Is she aware of the fact that a request has come from the government of Saskatchewan for the immediate removal of the 11 per cent sales tax on drugs, and what is the attitude of the government in that regard?

Mrs. Rideout: Mr. Speaker, I appreciate the right hon. gentleman's question but I will say only this at the moment. I think he is probably well aware that the committee on the cost of food and drugs is still hearing witnesses and certainly is concerned, as is the right hon. gentleman, about a most important matter.

Second, homes for special care and particularly homes for the aged and nursing homes. Federal contributions will be available not only to help cover the costs of care in such homes, but also of the important services that should be attached to them. I refer here to such services as physiotherapy, occupational therapy and nursing services. In this connection I might also note that federal contributions may be made available toward the cost of day care services which may be set up in conjunction with an institution or separately.

Through such services older people can remain in their own homes but at the same time receive the attention provided in a day care setting.

Third, homemaker services. Particular attention was given by the Senate committee to the importance of homemaker services through which older persons, in their own homes, can be assisted and supported and provided with the help and care needed to enable them to carry on independently and to postpone, as long as possible, the need to enter an institution.

Fourth, counselling services. The Senate committee report also emphasized the importance of various forms of counselling services through which older persons can be given advice and help where needed and can be referred to appropriate services in a community. The plan provides for federal contributions in this respect as well as for other rehabilitation services required by the aged.

In addition to providing for federal contributions toward the costs of providing assistance and welfare services, the bill provides for the Department of National Health and Welfare to make consultative services available to the provinces with respect to the development and operation of assistance and welfare services programs. There are already consultants on the staff of the department, and others will be appointed as soon as qualified persons can be recruited. Particular attention is being and will continue to be paid to the needs of the aged.

• (5:50 p.m.)

May I also say, Mr. Speaker, the Canada Assistance Plan provides a sound basis for the development, extension and improvement of assistance and welfare services for the aged. It acknowledges and provides for the wide variety of needs that older persons face. It contributes toward the research and evaluation needed to assess and develop services in accordance with changing needs. It contributes to the cost of training the skilled personnel required to provide the services. It takes into account the representations put forward by the many organizations who speak for the aged, and represents a major step forward in ensuring that our older citizens can have access to the help needed to enable them to live full, independent and satisfying lives.

If I might, Mr. Speaker, I should like for a few moments to speak about the child welfare program as it is covered in the Canada Assistance Plan. I am sure that all hon. members who have children, as I have, recognize the special care that is needed for the children who are in need, unwanted and uncared for. I wish to take a few moments of the time of the house to speak of this particular aspect of the Canada Assistance Plan which is very near and dear to my heart.

Hon. members will have observed that the plan covers persons under the age of 21 who are in the care or custody or under the control or supervision of a child welfare authority, or who are foster children—that is, children in receipt of assistance but not under the supervision of child welfare agencies.

I understand that some 50,000 children are in the care of child welfare agencies in Canada. The hon. member for Portage-Neepawa (Mr. Enns), a social worker himself with years of experience in charge of an important child welfare agency, emphasized in the speech I mentioned earlier that "one of the difficulties in the welfare structure is the inadequacy of the provision for children," and went on to say: "I must point out that child welfare services have been understaffed all across the land." He knows what he is talking about.

Fifty thousand children. And these are not all that are being helped by child welfare agencies. For example, I believe that something like 13,000 children are placed for adoption each year by our child welfare services in Canada. Still others need placement, and adoption homes might be found for them if more trained staff could be employed.

It has often been pointed out by child welfare agencies that many children who come into their care might have been able to stay in their own homes, or be returned to them without undue delay, if the agencies could provide adequate family rehabilitative services, which all too frequently is not possible because of limited funds. I quote again from the hon. member for Portage-Neepawa who, in referring to child welfare agencies, remarked that: "Those agencies are provided the rehabilitative services concerned with the basic unit in Canadian society—namely, the family" and he indicated that these services were in urgent need of being strengthened. Saving or restoring the family for the child is sound social policy and makes sense from an economic point of view. Here is one place where those who are concerned with the welfare of people and those whose chief interest is in saving money may find themselves on common ground.

This leads me to the important concept of prevention which is a basic feature of the Canada Assistance Plan. We have heard of the dependency cycle and the need to break it at some point. Well, what better point than that of the child. Later may be too late, despite our best efforts. But our success at the point of the child is dependant upon the skill and knowledge to be found in our child welfare agencies and the resources available to them. The Canada Assistance Plan will encourage the development of better services to children and the expansion of resources available to child welfare agencies, such as day-care, homemakers, adoption, casework and other services.

Lately, I have read in the newspapers about the inadequacies in the number of facilities in some provinces for the special care of emotionally disturbed children. Many of these children do not require hospital treatment. What they need is a type of non-medical special care which normally comes under welfare auspices. This is provided in a number of institutions across Canada, some being former orphanages which have now developed specialized programs for this type of child. These would be covered under the plan.

There are other children who may suffer disturbances and may need treatment under medical auspices, and there are still others whose needs are for correctional care or better educational facilities. Provision for these types of need lies outside the scope of the Canada Assistance Plan and belongs elsewhere.

However, the better the job that is done by the child welfare services, including the special care for emotionally disturbed children, the less need there will be for hospital treatment and correctional facilities for children and, I might add, for adults. I believe it makes good sense to aid in the development of these vitally needed services.

The integration of child welfare into a comprehensive welfare plan for all Canadians is a step forward and basic to a fully-rounded program designed to help meet the needs of people. The coverage by the Canada Assistance Plan of children who are in need of social assistance and welfare services complements the federal government's existing income support measures for children—namely, family allowances, family assistance—that is, the family allowance program for children from abroad during their first year in Canada—and youth allowances.

[Mrs. Rideout.]

I have attempted to point up the various ways in which the Canada Assistance Plan supports the provision of assistance and welfare services for children, and I am sure that hon. members will agree that federal funds devoted to this purpose will be well spent. But the Canada Assistance Plan is also an integrating measure. Up to now, child welfare services have been largely provided by agencies or departments which direct their entire attention to children. This focus can now be shifted and attention given to the needs of children as members of a family unit, with the objective of helping to keep families together and prevent the need for the care of children outside their own homes.

The close integration of child welfare with public assistance and its related welfare services is an objective which has been advocated by all provinces. It represents a major step forward in ensuring that the needs of people of all ages can be properly and effectively met.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, in accordance with discussion I had with members of our party this afternoon I would ask that government order No. 48 be called.

Mr. Deputy Speaker: Order, please. Does the house agree to having government order No. 48 called at this time?

Some hon. Members: Agreed.

CANADIAN LIVESTOCK FEED BOARD

ASSISTANCE IN STORAGE AND TRANSPORTATION COSTS

Hon. Maurice Sauvé (Minister of Forestry) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish a corporation, to be known as the Canadian Livestock Feed Board, for the purpose of assisting livestock feeders in eastern Canada and British Columbia; to empower the board to make payments related to the cost of feed grain storage in eastern Canada and payments related to the cost of feed grain transportation to or for the benefit of livestock feeders in eastern Canada and British Columbia, to enter into arrangements for the purpose of ensuring the availability at reasonable prices of adequate supplies of feed grain for such livestock feeders, and when authorized by the governor in council to enter into direct marketing operations in feed grain; to provide for the administration of the said board and for the establishment of an advisory committee; and to provide that all expenditures in connection with the said

measure, other than those related to direct marketing operations, will be paid out of moneys appropriated by parliament therefor and that any expenditures related to direct marketing operations in feed grain will be paid out of the consolidated revenue fund and charged to an account to be known as the Canadian Livestock Feed Board account, the amount of any such expenditure to be charged to the said account not to exceed the amount by which ten million dollars exceeds the balance of the said account plus any amount advanced to the board as authorized by the governor in council pursuant to the said measure.

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

• (6:00 p.m.)

Resolution reported and concurred in.

Mr. Sauvé thereupon moved for leave to introduce Bill No. C-218 to provide assistance to Livestock Feeders in Eastern Canada and British Columbia.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, while we are taking this means of co-operating in order to allow the bill to come up for second reading, it cannot be implied by that, that all the terms therein are agreed to by Her Majesty's Opposition.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Churchill: What will be the business on Monday?

Mr. McIlraith: I can only say that on Monday hon. members should be prepared to deal with any of the items on the order paper. We shall deal first with legislation, subject only to our right to adjust the order so as to have certain business completed here and sent to the other place. We shall start with the measure presently before the house, the Canada Assistance Plan, then deal with the income tax bill, the crop insurance bill and the National Arts Centre bill. Having disposed of those I hope hon. members will be ready to deal with the other items in any order.

Mr. Diefenbaker: Could the minister say when the long interred, and now recently disinterred Bank Act amendments, will come before the house?

Mr. McIlraith: At the first available opportunity we can get. I have been trying to get an opportunity to have that item called for some days now. I would not wish to have it called before the other bills which have to go to the other place, but I would hope it could be called on Monday.

Mr. Churchill: Have you the assurance of the hon. member for Davenport in regard to that?

Mr. McIlraith: I am perfectly sure, on this eve of what I hope will be a very pleasant holiday to all hon. members, that we can have it brought forward at the earliest opportunity, and I hope that will be on Monday.

Mr. Diefenbaker: And I hope by Monday you will have decided on the extra $25 for the old age pensioners.

Mr. Deputy Speaker: Pursuant to special order made Wednesday, June 29, and in accordance with provisional standing order 2(4), this house stands adjourned until 2.30 o'clock on the afternoon of Monday next.

At six o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Monday, July 4, 1966

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

TABLING OF AGREEMENT AND NOTES BETWEEN CANADA AND BULGARIA

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I wish to table, in French and in English, copies of an agreement between the government of Canada and the government of the People's Republic of Bulgaria relating to the settlement of financial matters, and copies of exchanges of notes between Canada and Bulgaria dealing with consular matters and with the establishment of diplomatic relations between our two countries.

LABOUR CONDITIONS

QUEBEC—TABLING OF REPORT OF MEDIATOR

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, last week the Minister of Labour agreed to table at the first opportunity the report of Judge Lippé who acted as mediator in the recent longshoremen's strike. In his unavoidable absence I should like to ask the permission of the house to table that report now in English and in French.

Mr. Speaker: Does the parliamentary secretary have leave to table this document?

Some hon. Members: Agreed.

BROADCASTING

TABLING OF WHITE PAPER

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have the pleasure of now offering to table before the house a bilingual copy of broadcasting (radiodiffusion) 1966.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

IMMIGRATION

PROVISION FOR ESTABLISHMENT OF APPEAL BOARD

Hon. Jean Marchand (Minister of Citizenship and Immigration) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to establish an immigration appeal board and to make provision for appeals thereto in respect of certain matters relating to immigration and to provide for the appointment, remuneration and expenses of the members of the board and the appointment of such officers, clerks and employees as are necessary for the conduct of the work of the board.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VICTOR G. SPENCER

Question No. 158—**Mr. Smallwood:**

1. Were alleged security or espionage offences committed by Victor G. Spencer, now of Vancouver and, if so, what were they and when did these alleged offences take place?

2. What year did he come to Canada, and from what country?

Hon. L. T. Pennell (Solicitor General): 1. A royal commission under Mr. Justice Dalton Wells is conducting an inquiry into matters relating to the late Victor George Spencer. The report of the said commission may be expected to be available in the near future.

2. The late Victor George Spencer came to Canada from the United Kingdom in 1907.

WHARF CONSTRUCTION, ST. PETERS, N.S.

Question No. 1,284—**Mr. MacInnis (Cape Breton South):**

In 1965 did the Minister of Public Works or any minister of the government make statements with respect to the construction of a new wharf at St. Peters, Nova Scotia, to facilitate the loading of pulpwood and, if so (a) where were such statements made and by which minister and under what authority (b) did the said minister make a statement with respect to the inclusion of an item in the 1966-67 estimates for this purpose and has

provision in the said estimates been made for such work (c) when will tenders be called for this project?

Hon. Judy V. LaMarsh (Secretary of State): I am informed as follows: Yes, (a) In Nova Scotia by Hon. Allan J. MacEachen with concurrence of the Minister of Public Works, Hon. George J. McIlraith. (b) No. (c) No definite date has been secured.

FEDERAL CONTRACTS WITH LEOPOLD FOURNIER, OTTAWA

Question No. 1,440—**Mr. Caouette:**

1. Has the federal government ever granted a contract or contracts to Mr. Leopold Fournier, 46 Lorne St., Ottawa?

2. If so (a) how many contracts (b) on what dates (c) for what amounts?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the National Capital Commission as follows:

1. Yes the National Capital Commission has granted contracts to Mr. Leopold Fournier of 46 Lorne street Ottawa.

2. (a) 27; (b) on the following dates: 1960, October 20. 1961, June 5; November 23. 1962, March 22; March 27; May 17; November 30. 1963, July 12; August 29; August 29; October 3. 1964, January 6; January 6; June 17; August 26; August 26; August 26; August 26; August 26; October 7; October 21; October 21; December 9; December 9. 1965, February 3; February 3; October 6.

2. (c) Under 18 contracts the National Capital Commission paid Mr. Leopold Fournier a total of $10,281. Under nine other contracts Mr. Fournier paid the commission a total of $237.

PUBLIC WORKS PROJECTS, VILLENEUVE CONSTITUENCY

Question No. 1,488—**Mr. Caouette:**

1. Among the projects that the Department of Public Works intended carrying out in 1964-65 in the constituency of Villeneuve (a) which ones were carried out and completed, and at what cost (b) which ones are in the process of being carried out, how long have they been in progress, and what is their estimated cost (c) which ones have been postponed, when will they begin, and what is their estimated cost (d) which ones have been abandoned?

2. In the same constituency (a) what projects does the department intend to carry out in 1966-67 (b) when will each begin (c) what is the approximate (estimated) cost of each?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. (a)

Location	Project	Cost
*Cadillac	Post Office Building	$23,397.09
*Duparquet	Post Office Building	26,763.64
*Evain	Revenue Post Office Building	13,897.18
Malartic (Federal Building)	Water softener	829.40
Noranda (Federal Building)	Interior painting	4,790.00
	Tile bedrooms	333.00
	Rezoning heating system	2,399.00
Noranda-Rouyn	Window cleaning contract (Federal and U.I.C. buildings in Noranda and Rouyn Post Office)	1,150.00
Remigny (Lac Barrière)	Wharf repairs and launching ramp	7,025.00
Rivière Solitaire	Dredging (river cleaning)	8,700.00
Rouyn (Lac Osisko)	Wharf reconstruction	18,300.00
Rouyn (Post Office)	Alterations to Second floor	2,700.00
Rouyn (U.I.C.) Building)	Exterior painting	696.00
	Renovation Taxation Office	975.00
	Rezoning heating system	1,707.00
	Interior painting	3,980.00
Val d'Or (Lac Blouin)	Tourist wharf	22,995.00
*Val d'Or	R.C.M.P. Detachment Building	57,600.97
Val d'Or (Federal Building)	Interior painting	2,825.75
	New doors	428.56

*Figures for each project include cost of construction, purchase of site (except the R.C.M.P. Building), surveys, lock boxes, advertising, etc.

Questions

(b) Baie Carrière	Wharf repairs and improvements. In progress for one month.	2,811.00
Lac Caron (St. Roch)	Launching ramp and approach improvements. In progress for six months.	2,274.00
(c) **Baie Carrière	Lighting system To be put underway in July 1966.	
**Val d'Or (Federal Building)	Acoustic ceiling Proposed for 1967-698.	

**It is not customary to reveal estimated costs before tenders are called.

(d) ***Val d'Or — Rebuild retaining wall

***It is not customary to reveal estimated costs.

2. Location	(a)	(b)
Baie Carrière	Lighting system	July 1966
Cadillac (Lac Preissac)	Launching ramp	Aug. 1966
Cadillac (Post Office)	Landscaping	July 1966
Lac Duparquet	Wharf lights	Aug. 1966
Lac Hébécourt	Launching ramp	Aug. 1966
Lac Lemoyne	Launching ramp	Aug. 1966
Malartic (Federal Building)	Rezoning heating system	Sept. 1966
	Relocate flag pole	July 1966
Noranda (Federal Building)	Exterior painting	Aug. 1966
	New roof	July 1966
	New lino work area	Nov. 1966
Remigny (Lac des Quinze)	Approach improvements	July 1966
Rouyn (Federal Building)	Exterior lights	July 1966
	Stock room D.P.W.	Dec. 1966
	Exterior and interior painting	July 1966
Rouyn (U.I.C. Building)	Relocate flag pole	July 1966
	Repair windows	Sept. 1966
	New incinerator	Oct. 1966
	Lighting	Award in progress
Rouyn-Noranda	Window cleaning contract	Various intervals
Val d'Or (Federal Building)	Humidifier and vent. Boiler room	Aug. 1966
	New windows and frames 2nd floor	Sept. 1966
Val d'Or (Lac Blouin)	Lighting system	July 1966

(c) It is not customary to reveal estimated costs before tenders are called.

[*English*]

PRESERVATION OF ARCTIC WILDLIFE

Question No. 1,563—**Mr. Johnston:**

Are any steps being taken to prevent extinction of various forms of Arctic wildlife, particularly the polar bear, as a result of unrestricted hunting made possible by modern development of snowmobiles and air transport and, if so, what are they?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. I am informed by the commissioner of the Northwest Territories as follows: Yes. Three important species of Arctic wildlife, muskoxen, caribou and polar bear, have been declared by the governor in council to be species in danger of extinction. The muskox has been protected from hunting by legislation since 1917. Only male caribou over one year of age may be hunted in the Northwest Territories east of the Mackenzie river, and caribou meat fit for human consumption must not be wasted. Female polar bears with cubs under one year of age are protected throughout the Northwest Territories except Banks island, Victoria island and the Mackenzie District. Under the Northwest Territories game ordinance and regulations no persons are permitted to hunt game from an aircraft or from a motor vehicle. Furthermore, only Indians, Eskimos and a very limited number of white trappers with historic rights are permitted to hunt and trap wildlife in most regions of the Northwest Territories. Further legislation to provide additional protection for polar bears and other Arctic wildlife is now under consideration.

Questions

EXPO '67—EMPLOYMENT OF STUDENTS

Question No. 1,580—**Mr. Sherman:**

Will any students at the university and high school level be employed at Expo '67 and, if so (a) how many (b) in what capacities is it intended that these students will be employed (c) from what regions of the country will these students be drawn (d) will preference be given to any particular students on the basis of region or language?

Hon. Robert Winters (Minister of Trade and Commerce): (a) The corporation and other employers on the site of the exhibition will employ students at the university and high school levels providing these students meet the employment criteria established for the positions in which they wish to be employed. As there are no classes of employment specifically reserved for students and as the criteria to be met vary widely, it is difficult to determine the number of students that will be employed. However, it is presently estimated that the corporation will employ some 650 students and the concessionaires a further 2,300. In addition, it is estimated that some 300 students may be employed by the exhibitors in supporting type services.

(b) Certain students may be employed in skilled capacities such as translators or interpreters. However, the vast majority will be employed in semi-skilled and unskilled capacities such as: entrance attendants, parking attendants, ushers, maintenance men, hostesses, guides, clerks, cleaners, information agents, protective agents, platform guards, typists, identification officers, gardeners, ride attendants, area representatives, ship attendants, messengers, waiters, restaurant help.

(c) A program for the recruitment of a special category of personnel comprising 225 hostesses and 30 male guides, geographically representative of Canada as a whole, has been planned and is being implemented to greet visitors to the exhibition.

(d) No preference will be given on the basis of regional origin insofar as this is feasible. The corporation will attempt to recruit students or other employees on a national basis. Ability to speak more than one language will be considered an asset in view of the international character of the exhibition.

INVESTIGATION RESPECTING C.N.R. WORK FORCE, NORTH SYDNEY, N.S.

Question No. 1,602—**Mr. Muir (Cape Breton North and Victoria):**

Has the Canadian National Railways commissioned anyone to investigate the sociological, psychological and economic issues involved in reference to the 800 to 900 person Canadian National Railway work force at North Sydney, Nova Scotia, as stated by Professor Roy E. George, to the Canadian Industrial Relations Institute at Toronto recently and, if so (a) who has been commissioned (b) what time will be entailed in the carrying out of such study and how soon will a report be available and to whom will the commission report (c) as a result of any aforementioned study, will jobs be provided for the unemployed workers?

Hon. Jean Marchand (Minister of Citizenship and Immigration): The Canadian National Railways has signed an agreement with the International Longshoremen's Association and the Minister of Citizenship and Immigration for the carrying out of a complete investigation into various issues involved in the reduction of the longshore work force at North Sydney which is anticipated to take place during the next three years. (a) The studies are being carried out by a joint union-management committee with Professor Roy E. George as research director. (b) It is anticipated that the studies will be continuous until the completion of the change-over to the new ferry service. Informal confidential reports of the studies are being made from time to time to the Canadian National Railways, to the union, and to the Minister of Citizenship and Immigration, and action is already underway to implement some of the conclusions of the earlier part of the studies, particularly in the area of retraining for other work. (c) It is confidently expected that the various measures developed out of these studies will result in satisfactory re-employment for the individuals displaced.

EXPO '67—ADVERTISING OUTSIDE CANADA

Question No. 1,607—**Mr. Allmand:**

1. Has there been an advertising program for Expo '67 in countries other than Canada?

2. If so (a) in what countries has this advertising program taken place (b) what has been the nature of this advertising program?

3. Do the directors of Expo '67 intend to advertise in an intensive way and, if so, when?

Hon. Robert Winters (Minister of Trade and Commerce): 1. Yes.

2. This advertising program has taken place in the following countries: (a and b) (i) General advertising telling the over-all story of Expo '67 has appeared to date in 1966 in major circulation magazines in the U.S.A., Great Britain, France, Italy, Germany, Australia, Japan, South America, India, Sweden, Norway, Finland and Denmark. (ii) Advertising

dealing with the promotion of the business development bureau of Expo '67 has appeared to date in special editions of major newspapers in the U.S.A., England, France, Israel and Italy. (iii) Advertising of the advance passport of admission sales program has appeared in trade publications to help recruit distributors in Great Britain, France, Germany, Italy, Belgium and Denmark. (N.B.: the program of advertising to recruit distributors in the United States is being carried on behalf of Expo '67 by American Express Co. Ltd.). Advertising to promote the advance admission sales program to the general public has appeared to date in 1966 as follows:

In the U.S.A. in major circulation magazines.

In co-operation with the American Express Company who paid 50 per cent of the cost in *Life* Magazine issue of May 20, a full page advertisement in colour. In addition, in 12 regions covering the northeastern area of the United States, from Washington north and Chicago east, an eight page full colour booklet was inserted into the magazine besides the full page advertisement. In most magazines published in Great Britain, Switzerland, Japan, Mexico, New Zealand, Arabia, Holland, Norway, Sweden, Greece, the Middle East, and many countries in Africa and South America.

3. The advertising program approved by the corporation's board of directors for the year 1966 includes extensive advertising of Expo '67 in the U.S.A. and in special supplements and editions in magazines and newspapers throughout the world. In the U.S.A., advertising will appear in newspapers, magazines, radio and television. It is estimated that 57 per cent of Expo '67 visitors will come from the U.S.A. An advertising program is now being finalized for 1967 and will include extensive advertising of Expo '67 until the mid-summer of 1967 throughout Canada and the U.S.A. Advertising abroad is now being planned on behalf of Expo '67 by the Canadian government centennial commission, by the Canadian travel bureau, the tourist bureaus of the province of Quebec, the province of Ontario, etc., and by Canadian businesses such as Air Canada, Canadian General Electric, International Nickel Company, etc., and by American and other firms such as American Express, Moore McCormack Lines, B.O.A.C., Air France, etc. Extensive coverage is also received in press radio and TV all over the world through information services.

Questions

INTEREST ON NATIONAL DEBT

Question No. 1,615—**Mr. Thompson:**

1. What was the total amount paid in interest on the Canadian federal debt in (a) 1964-65 (b) 1965-66?

2. What portion of this amount was paid directly to individual Canadian citizens?

3. What portion of this amount was paid to the Bank of Canada for bonds and treasury bills held by the Bank of Canada?

4. What portion of this amount was paid to (a) financial institutions of Canada, including the Bank of Canada (b) all other Canadian corporations (c) corporations outside Canada (d) financial institutions outside Canada?

Hon. Mitchell Sharp (Minister of Finance): 1. The interest paid on government of Canada debt including treasury bills was $802.6 million in the fiscal year 1964-65 and $832.0 million in 1965-66.

2 and 4. A substantial part of government of Canada debt is in the form of bearer securities rather than being registered in the name of the owners and for this reason it is not possible to compute the total amount of interest paid to different categories of investor. The following estimated distribution of the outstanding amount of government of Canada direct and guaranteed debt, however, will give a rough indication of the distribution of interest payments.

Estimated holdings of government of Canada direct and guaranteed debt
(par values, millions of dollars)

	As at December 31		
	1963	1964	1965
Total	20,276	20,733	20,681
Of which:			
Canadian financial institutions:			
Bank of Canada	3,091	3,115	3,472
Chartered banks	3,933	3,705	3,723
Other	1,928	1,861	n.a.
	8,952	8,681	n.a.
Other Canadian corporations	605	535	n.a.
Individuals—Canada savings bonds only	5,133	5,613	5,866
Non-residents	1,073	1,073	1,085

3. The amounts paid to the Bank of Canada were $118.5 million in 1964-65 and $132.4 million in 1965-66.

Questions

FAMILIES LIVING IN THREE ROOMS OR LESS

Question No. 1,621—**Mr. Orlikow:**

1. Of the total Canadian population, how many families live in houses of three rooms or less?

2. Of the total Indian population, how many families live in houses of three rooms or less?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Northern Affairs and National Resources as follows:

1. The 1961 census provides the following information: Total number of households in Canada, 4,554,493; households with 3 rooms or less, 628,376.

2. 14,839 families, according to a survey conducted by the Indian affairs branch in March, 1965.

FAMILIES LIVING IN HOMES WITH FACILITIES

Question No. 1,622—**Mr. Orlikow:**

1. Of the total Canadian population, how many live in homes which are provided with (a) electricity (b) sewer service or septic tanks (c) running water (d) indoor baths?

2. Of the total Indian population, how many live in homes which are provided with (a) electricity (b) sewer service or septic tanks (c) running water (d) indoor baths?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Trade and Commerce and Northern Affairs and National Resources as follows:

1. The 1961 census provides the following information:

Total number of households in Canada, 4,554,493; Households with (a) Electricity, I/; (b) municipal sewer or septic tanks, 3,850,-879; (c) running water, 4,058,313; (d) installed bath or shower, 3,659,520.

I/ Not available from 1961 census.

(a) In 1963, it was estimated that 4,608,000 households out of a total of 4,671,000 households (excluding the Yukon and Northwest Territories; households of Indians living on reserves; collective type households; and households living in non-permanent dwellings) had electricity.

2. Houses having facilities according to a survey conducted by the Indian affairs branch —March 1965:

(a) Electricity, 12,773; (b) sewer service or septic tanks, 2,676; (c) running water, 4,112; (d) indoor baths, 2,048.

[Mr. Sharp.]

The number of persons living in these houses was not tabulated. However, taking the average size family as six persons, the number of persons in each category is estimated as follows:

(a) electricity, 76,638; (b) sewer service or septic tanks, 16,056; (c) running water, 24,672; (d) indoor baths, 12,288.

The new $112,000,000 physical community development program announced in the House on March 17, 1966 will provide for more than 12,000 new homes and extension of electricity, sanitation, sewer service and other facilities so as to raise the housing conditions on reserves to approximate average Canadian standards over the next five years.

CATTLE QUARANTINE SERVICE

Question No. 1,633—**Mr. Ormiston:**

1. What is the cost of maintaining quarantine operations where Charolais cattle are kept on entry into Canada?

2. What was the number of Charolais cattle passing through quarantine in the years 1962, 1963, 1964, 1965 and 1966 to the present date?

3. What charge, if any, is made against the private owner of cattle for quarantine services?

4. What other types of animals have been quarantined during the above-mentioned period and what are the numbers in each case?

Hon. J. J. Greene (Minister of Agriculture): 1. The department provides the quarantine facilities. All costs for transportation, care, and feed are borne by the importer.

2. Import records are not maintained on a breed basis. However, it is known that 109 head of Charolais cattle entered Canada through Grosse Ile in 1965/66.

3. No charges have been made for quarantine services. For the forthcoming year cattle entering through the maximum quarantine station at Grosse Ile will be assessed $5 per head per day for a maximum of 90 days and importers will be required to pay costs of all special tests.

4. The following animals underwent quarantine for importation into Canada:

	Cattle	Sheep	Swine	Goat	Deer
1962/63	527	49	4	1	
1963/64	336	7	38		
1964/65	147		15		
1965/66	198	8	4		3

EXPO '67—DUPLICATION OF MAILED PUBLICITY

Question No. 1,679—**Mr. Mather:**

Have complaints been received by the Expo administration as to the duplication of publicity mailings?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): Several such complaints have been received and in all such instances immediate steps have been taken to correct the mailing lists.

USE OF CANADIAN MAILS TO DEFRAUD

Question No. 1,680—**Mr. Aiken:**

1. What steps, if any, have been taken by the Postmaster General to control the use of Canadian postal services by Canadian or American citizens operating mail order businesses in Canada and advertising in the United States?

2. Has the Postmaster General or have any of his officials been approached by United States postal authorities with a view to co-ordinating the control activities of the United States and Canadian postal services?

3. Has the Postmaster General of the United States or any official on his behalf communicated with the Postmaster General of Canada or any of his officials with regard to prohibiting the use of the mails in the area of Canadian-based mail order operations fraudulently soliciting money from United States citizens.

4. Have there been any successful prosecutions anywhere in Canada under section 306 of the Criminal Code of Canada which is designed to prevent the publication of false advertisements?

5. Has the Postmaster General made any representations to the Minister of Justice with a view to amending the Criminal Code to accomplish the purposes outlined in section 306?

6. Is the Postmaster General in the process of preparing amendments to section 7 of the Post Office Act to enable him to effectively control the use of the Canadian mails for unlawful purposes?

7. During the past three years have any "foreign fraud orders" under section 4005 of title 39 United States code, been brought to the attention of the Postmaster General by the Postmaster General of the United States and, if so, how many?

Hon. Jean-Pierre Côté (Postmaster General): 1. When evidence is received or complaints made that the Canadian mails are being used for illegal purposes, investigation is instituted by the Post Office Department with a view to determining whether the circumstances justify the issuance of an interim prohibitory order under the provisions of section 7 of the Post Office Act.

2. No.

3. No.

4. None, in so far as the Canada Post Office is concerned.

5. No.

6. No. The present provisions of section 7 of the Post Office Act are considered satisfactory for control purposes.

7. As a result of regularly receiving copies of the United States Weekly Postal Bulletin, the Canada Post Office Department was made aware of the fact that during the period June, 1963 to May, 1966 inclusive, 31 fraud orders were issued by the United States postal administration against persons or firms residing in Canada.

U.S. MAIL FOREIGN FRAUD ORDERS

Question No. 1,681—**Mr. Aiken:**

1. Did the Postmaster General of the United States or any official on his behalf advise the Postmaster General of Canada or any of his officials that the following foreign fraud orders were issued against the following individuals and/or companies for "conducting a scheme for obtaining money through the mails by means of false and fraudulent pretenses, representations and promises in violation of section 4005 of title 39, United States code" and, if so, on what dates (a) foreign fraud order No. 65-178, dated October 14, 1965, against Export Warehouse; Alberta Seed Company; Specific; Arthur Darrell Huckerby, manager; A. D. Huckerby, and their agents as such, at Calgary, Alberta, Canada; against whose principals foreign fraud order No. 62-137 was issued May 23, 1962, under the names Mushroom Salt Co., and Dehydrated Products and Chemicals at Calgary, Alberta, Canada (b) foreign fraud order No. 65-182, dated November 2, 1965, directed against O.S.C.A., director, O.S.C.A. and Ontario Sporting Club Alliance at Toronto, Ontario, Canada; listed as a subsidiary of The Great Northern Pulp Group Ltd., Hugh J. Bruce, president—directors John Heaven, Terence Howes and Barbara Heaven (c) foreign fraud order No. 65-185, dated November 8, 1965, directed against Bestyet Books, 189 Henry avenue No. 3, Winnipeg 2, Canada; principal or principals unknown (d) foreign fraud order No. 65-197, dated December 23, 1965, directed against Mr. Gerald Buell, 624 Lorne street, New Glasgow, Nova Scotia, Canada (e) foreign fraud order No. 66-44, dated January 21, 1966, directed against John Able, 207½ Fort street, Apt. 21, Winnipeg 1, Canada; principal or principals unknown (f) foreign fraud order No. 66-60, dated February 24, 1966, directed against L. Pereira, 3 Golfdown Drive, Rexdale, Ontario, Canada (g) foreign fraud order No. 66-67, dated March 11, 1966, directed against Newton Vale—Studio N.R., 160 Bay St., Toronto, Ontario, Canada; against whose principal foreign fraud orders No. 61-122 (May 8, 1961), No. 62-14 (March 23, 1962), No. 63-42 (March 26, 1963), and No. 64-255 (November 3, 1965) were issued?

2. In each of the above cases, did the Postmaster General initiate any action under section 7 of the Post Office Act which provides for the issuance of interim or final prohibitory orders denying the use of Canadian postal services to persons who are using the mails for unlawful purposes?

3. Was an investigation undertaken in each case?

4. If so, what were the results of these investigations?

Questions

5. Was either an interim or final prohibitory order issued in any of the above cases?

6. If so, on what dates?

7. Were the principals and/or the companies named in the above foreign fraud orders enjoying free and unencumbered use of the Canadian mails on June 1, 1966?

Hon. Jean-Pierre Côté (Postmaster General): 1. As a result of the regular receipt of copies of the United States Weekly Postal Bulletin, the Canada post office was made aware on the dates shown below of the issuance of the fraud orders mentioned. (a) October 21, 1965, (b) November 11, 1965; (c) November 18, 1965; (d) December 30, 1965; (e) January 27, 1966; (f) March 3, 1966; (g) March 17, 1966.

2. No.

3. Yes.

4. Evidence or information received was not considered sufficient in any of the above cases to justify action being taken under the provisions of section 7 of the Post Office Act.

5. No.

6. See answer to No. 5.

7. Yes.

POSTMASTER CLASSIFICATIONS AND SALARIES, KENT COUNTY, ONT.

Question No. 1,689—**Mr. Danforth:**

1. What are the present work classifications and rates of pay of postmasters at the following post offices in Kent county, Ontario (a) Grande Pointe (b) Bear Line (c) Dover Centre?

2. What was the rate of pay to each postmaster in 1963?

3. How often have each of these positions been reclassified since 1963 and what were the reasons?

4. Have there been any pay increases to any of these postmasters since 1963 and, if so, what was the date of increase and the amount of each?

5. Has the work classification in these three post offices been carried out on a total weight basis and, if not, for what reason?

6. Are newspapers, daily or weekly, included in the work classification, and (a) if not, for what reasons (b) if so, will they affect the present classification?

7. Has the work classification in each of these three offices been carried out on exactly the same basis and, if not, what are the differences, in detail?

Hon. Jean-Pierre Côté (Postmaster General): 1. The present classification of the offices concerned is determined by a work load survey as follows:

	Class	Salary per annum
(a) Grande Pointe	Group 7	$1,360.
(b) Bear Line	Group 9	$1,885.
(c) Dover Centre	Group 12	$2,115.

[Mr. Aiken.]

2. (a) Grande Pointe, not established until 17-6-64; (b) Bear Line, $1,885. per annum; (c) Dover Centre, $1,350. per annum.

3. (a) Grande Pointe, once from Group 6 to 7 effective 1-6-65. Increase in work load; (b) Bear Line, once from Group 12 to 9 effective 1-9-64. Decrease in work load; no change in salary; (c) Dover Centre, once from Group 8 to 12 effective 1-10-64. Increase in work load.

4. (a) Grande Pointe, $1,080. to $1,170. ($90.) effective 1-10-64; $1,170. to $1,315. ($145.) effective 1-6-65; $1,315. to $1,360. ($45.) effective 1-8-65; (b) Bear Line, No change. (c) Dover Centre, $1,350. to $1,885. ($535.) effective 1-10-64; $1,885. to $2,035. ($150.) effective 1-10-64; $2,035. to $2,115. ($80.) effective 1-8-65.

5. Yes, the classification of these offices was determined as a result of work load surveys which gives the postmaster credit for each function performed.

6. Yes. (b) The number of newspapers handled, as well as other duties performed by the postmaster, are contributing factors to the eventual classification arrived at.

7. Yes.

GROSSE ILE CATTLE QUARANTINE STATION

Question No. 1,713—**Mr. McCutcheon:**

1. Is the Grosse Ile quarantine station prepared to receive shipments of cattle from abroad at the present time?

2. Are new arrivals expected and, if so, when?

Hon. J. J. Greene (Minister of Agriculture): 1. The maximum security quarantine station a Grosse Ile is being prepared to receive importations of cattle from France.

2. Providing the disease situation in France continues to remain favourable, the next shipment is expected to arrive at the Grosse Ile quarantine station early in October, 1966.

CHARTER OF JAPANESE TRAWLER FOR WHALING SURVEY

Question No. 1,715—**Mr. McCleave:**

1. Did the Department of Fisheries, or any other department or agency of the federal government, recently charter the Japanese trawler *Kyo Maru* to conduct a survey of the whaling fishery in the North Atlantic and, if so, what are the terms of the charter?

2. Were tenders called for the above-mentioned charter, and (a) if so, how many responses were there, and by whom (b) if not, what was the reason?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes. To carry out exploratory work and demonstration of modern whale catching techniques and methods. The owners are to receive $12,000 for a period of six months, and are permitted to retain and dispose of, at a Canadian port or ports, all whales caught. The agreement provides that the vessel will be operated under the general direction and control of a designated representative of the minister.

2. No. A vessel of the type required was unavailable in Canada.

SHARES AND DEPOSITS, CAISSES POPULAIRES AND CREDIT UNIONS

Question No. 1,723—**Mr. Latulippe:**

1. What were the total amounts of registered shares and deposits in the caisses populaires and credit unions in 1965?

2. Has this detail been omitted from the list of "financial assets held by the public", as shown in the annual report of the Bank of Canada for 1964?

Hon. Mitchell Sharp (Minister of Finance): 1. This information is not yet available for 1965 and there is at present no reliable basis for forecasting it. At the end of 1964 the total amount of caisses populaires and credit union shares was $853 million and the amount of deposits was $1,128 million, making a total of $1,983 million.

2. I am informed that an estimate of $1,900 million for 1964 was included in the table entitled "General Public Holdings of Certain Financial Assets" in the annual report of the governor of the Bank of Canada for 1964, and because of the difficulty of making a reliable forecast, this category of financial assets was not included in the comparable table in the 1965 report.

PARKING TICKETS, PARLIAMENT HILL

Question No. 1,727—**Mr. Godin:**

1. How many parking tickets were issued on Parliament Hill during 1965?

2. How many of these tickets were taken back by the R.C.M.P. following explanations given by the alleged offenders?

3. What was the total revenue from these tickets?

4. Who received the revenue from these tickets?

Hon. L. T. Pennell (Solicitor General): 1. 2,753.

2. None.

3. $2,871.

4. The city of Ottawa.

COMMUNITY PASTURES AND RESERVOIRS

Question No. 1,728—**Mr. Godin:**

1. Under the PFRA, how many acres of land have been used as community pastures in (a) Manitoba (b) Saskatchewan (c) Alberta (d) Quebec?

2. Under the same plan, how many reservoirs or dams for irrigation or watering of livestock received subsidies of $300 to $600 in the provinces of (a) Manitoba (b) Saskatchewan (c) Alberta (d) Quebec?

Hon. J. J. Greene (Minister of Agriculture): The provisions of the Prairie Farm Rehabilitation Act are applicable only in the provinces of Manitoba, Saskatchewan and Alberta.

1. (a) Manitoba, 391,124 acres; (b) Saskatchewan, 1,782,073 acres; (c) Alberta, 145,280 acres; (d) Quebec, See note above.

2. (a) Manitoba, 17,268; (b) Saskatchewan, 59,691; (c) Alberta, 18,988; (d) Quebec, See note above.

RESEARCH GRANTS, QUEEN MARY HOSPITAL STAFF, MONTREAL

Question No. 1,730—**Mr. Allard:**

1. Were any members of the medical staff at the Queen Mary veterans' hospital in Montreal granted research funds by the Defence Research Board and the medical research council in 1964-1965 and, if so, who were they?

2. For each of the members of this medical staff, what was in 1965, the amount of funds granted for research?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. No.

2. Not applicable.

COMPENSATION TO QUEBEC UNDER STUDENT LOANS ACT

Question No. 1,731—**Mr. Dionne:**

1. In what form and in what amount has fiscal compensation been made to the province of Quebec following the adoption of the Canada Student Loans Act?

2. How many students in each province of the country have received loans under this act?

Hon. Mitchell Sharp (Minister of Finance): 1. Section 12 of the Canada Student Loans Act provides for alternative payments to a province in respect of a loan year (payable within six months after the end of that loan year) where that province advised the Minister of Finance that it would operate its own student loans plan and that it would not participate in the Canada student loans plan during that loan year. The amount of the payment to a non-participating province is to be

that proportion of the total actual payments to lenders during that loan year (net after recoveries) which the non-participating province's population in the 18-24 year age group bears to that of the participating provinces. Payment to Quebec under this section of the act in the amount of $74,262 was made in the fall of 1965 in respect of the first loan year of the plan which ended June 30, 1965.

2. A total of 42,113 students received certificates of eligibility authorizing student loans in the first loan year ended June 30, 1965 as follows: Newfoundland, 737; Prince Edward Island, 437; Nova Scotia, 2,513; New Brunswick, 2,027; Ontario, 21,920; Manitoba, 2,272; Saskatchewan, 2,992; Alberta, 4,519; British Columbia, 4,675; Yukon, 12; Northwest Territories, 9; Total: 42,113.

A total of 50,419 students received certificates of eligibility authorizing student loans in the first nine months of the second loan year as follows: Newfoundland, 1,314; Prince Edward Island, 613; Nova Scotia, 3,767; New Brunswick, 2,988; Ontario, 20,022; Manitoba, 3,431; Saskatchewan, 4,830; Alberta, 6,333; British Columbia, 7,090; Yukon, 23; Northwest Territories, 8; Total: 50,419.

FISHING VESSEL CREWS, ATLANTIC COAST

Question No. 1,753—**Mr. Howard:**

1. How many fishing vessels operating out of Canadian ports in (a) Nova Scotia (b) New Brunswick (c) Newfoundland, are manned by crews which contain other than Canadian citizens?

2. How many of the said vessels were subsidized in any way from the federal treasury?

3. Is there any intention on the part of the government to extend to other provinces the provision of the British Columbia fishery regulations to the effect that a licence may be granted only to a company incorporated under the laws of Canada or to a person who is a Canadian citizen or who has served in the Canadian armed forces and, if so, when will such an extension take place?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Not available.

2. Answered by No. 1.

3. At the present no consideration is being given to this matter.

EXPERIMENTAL HOUSING PROGRAM, SASKATCHEWAN

Question No. 1,761—**Mr. Korchinski:**

1. As of June 21, 1966, how many houses have been bought by enfranchised Indians and Métis in Northern Saskatchewan under the experimental housing program?

[Mr. Sharp.]

2. What are the localities in which the houses are situated?

3. How many houses are in each of these localities?

Hon. J. R. Nicholson (Minister of Labour): 1. Of 36 houses approved as of June 21, 1966 under the experimental housing program in northern Saskatchewan, 35 houses were bought by enfranchised Indians and metis. The sale of the remaining house did not proceed and was withdrawn from the program.

2. Seven houses are located in Air Ronge, two in La Ronge, ten in Buffalo Narrows, ten in Île-à-la-Crosse, three in Beauval and three in Cumberland House.

3. See answer to 2 above.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POLICING METHODS ON INDIAN RESERVES

Question No. 1,366—**Mr. Dinsdale:**

1. Are any Indian reservations in Canada policed by special R.C.M.P. constables of Indian origin and, if so, which ones?

2. Is any other method of policing used and, if so (a) what is that method (b) how many reservations are involved?

Return tabled.

PURCHASES BY CROWN CORPORATIONS

Question No. 1,485—**Mr. Caouette:**

1. What amount of purchasing is made annually by (a) C.N.R. (b) Air Canada (c) Canadian Overseas Telecommunication Corporation (d) C.B.C. (e) Polymer Corporation Ltd. (f) Eldorado Mining and Refining Ltd.?

2. What proportion of this sum represents the purchase of (a) Canadian products (b) foreign products, for each of these companies?

3. Do the aforesaid crown corporations give preference to a company whose major business is carried out in Canada even though its bid is not the lowest and, if so, by virtue of what authority?

Return tabled.

WINTER WORKS STATISTICS

Question No. 1,603—**Mr. Allard:**

1. What was the value of the winter works programs carried out in each province in the years 1964, 1965 and 1966?

2. What is the value of the winter works programs carried out in each municipality in the province of Quebec in the years 1964, 1965 and 1966?

3. With regard to the population of each province, what percentage of federal expenditure is incurred for winter works?

Return tabled.

EXTERNAL AFFAIRS

STEPS TAKEN FOLLOWING U.S. BOMBING OF NORTH VIET NAM CITIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the other day I asked the Prime Minister whether the government would look favourably on the request that some day this week we be given an opportunity in this house to discuss the Viet Nam situation. While there has been no answer in that regard as yet and no opportunity to debate this matter, there are a number of questions that I should like to place before the Prime Minister at this time.

Over the week end or within the last few days the President of the United States said in Omaha that one should count ten before dissenting from United States policy in Viet Nam. I ask the Prime Minister, in view of the expansion of bombing that has quite fearful, dark and ominous dimensions and the possibility of a world war, whether the government of Canada has directly endeavoured to exert its moral influence upon the United States to exercise a degree of restraint in expanding the bombing operations; and whether any steps have been taken in the last few days that would indicate that the North Vietnamese are prepared in any way to allow for the convening of a conference so that this ever increasing and frightening threat to world peace might have some hope of being removed.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, with regard to the first half of my right hon. friend's question, the possibility of a discussion of this matter in the house before any recess is being considered by myself and my colleagues. One possible way of arranging for a debate would be when interim supply is requested; but we will be discussing this matter tomorrow morning at a cabinet meeting.

So far as other questions are concerned, our position on the matter of the bombing of North Viet Nam has been made clear to the United States government recently, indeed over the week end. I said in the house that we regretted the extension of the bombing, and that remains our position. Indeed, Mr. Speaker, I think no government has pressed harder for an end to hostilities in Viet Nam by negotiation than this government, and we will perhaps continue so to press.

Perhaps I may be permitted, because of the seriousness of the question, to repeat what I said publicly on May 1:

> There seems to me to be one overriding consideration here; not who is responsible for what, but how can the fighting and the slaughter and the suffering be ended and the people of that distressed land be allowed to live their lives in peace and freedom in a political society of their own choice without outside interference in making that choice, and outside pressures after the choice has been made.

I then went on to say, and this remains my view:

> The first concrete step in this direction would be a cease fire, or a more formal armistice agreement, put into effect as part of a wider pattern of peace negotiations without prior conditions.
>
> Once the cease fire was in effect and as negotiations progressed, equivalent and phased withdrawals from South Viet Nam by North Viet Nam and by the forces of other governments could take place under international supervision.

I can only reiterate, Mr. Speaker, the hope that a cease fire can be arranged which would bring an end not only to bombing from the air but also to shooting on the ground, and that negotiations can begin. I sincerely hope that with negotiations under way the process of phased withdrawal on both sides could begin.

Mr. Diefenbaker: Mr. Speaker, has there been any reaction to the visitation by Mr. Chester Ronning which would indicate that the North Vietnamese have any feeling or attitude of mind that might lead the right hon. gentleman to believe there is any hope at the moment of a conference being convened?

Mr. Pearson: It is impossible to be optimistic at the moment in regard to an early convening of any such conference. However, while it is impossible to be optimistic, it would be most regrettable if we ceased in any way to work for such a conference. That remains our policy.

Mr. T. C. Douglas (Burnaby-Coquitlam): On a supplementary question, Mr. Speaker, in view of the widespread concern that has been expressed by prominent world figures such as Senator Robert Kennedy, does the Prime Minister not consider that the United States would be more fully seized of the gravity of the situation if the Canadian government formally expressed disapproval of the escalation of the war by the bombing of the Hanoi and Haiphong areas?

Inquiries of the Ministry

Mr. Pearson: This government, with the support of the house I am sure, is engaged in a continuing process of trying to bring about negotiations. Because of our position on the international truce commission, and because we have been able to enlist the services of a very experienced negotiator in these matters, and in the midst of an effort to bring about negotiations, I do not think, Mr. Speaker, it would be desirable for me to comment any more than is required on the policies of either side in this dispute. We have already indicated our regret at the extension of the bombing, and I prefer to leave it at that at this moment.

Mr. Douglas: I rise on a supplementary question, Mr. Speaker. May I ask the right hon. Prime Minister whether Canada is endeavouring to have its two colleagues on the international control commission, India and Poland, join with us in another attempt to reconvene the Geneva accord powers in the hope that this could be the beginning of a basis for negotiations.

Mr. Pearson: Mr. Speaker, we are doing everything we can to secure an appropriate role for the commission in this regard, and that requires continuous consultation with the other members of the commission.

Hon. Gordon Churchill (Winnipeg South Centre): May I ask a supplementary question on the same subject, but addressed to the Minister of National Defence. Will the minister undertake to give to the House of Commons, at the opening of the debate on external affairs if we have one, a military appreciation of the situation in Viet Nam so that full information will be available to all hon. members with regard to the nature of the war, its extent and the prospects at the present time?

Hon. Paul Hellyer (Minister of National Defence): I would find some difficulty in doing that, in view of the fact that much of the information we have in respect of the war is from sources outside of Canada, from the United States in particular. If my hon. friend would really like to have an appreciation of the situation there it might be that we could arrange a private meeting at which information could be given. Since most of the information is classified and comes from sources outside the country, it would be difficult for me to give an appreciation which would be really usable without compromising the information received from other sources.

[*Translation*]

FINANCE

QUEBEC—SALE OF BONDS ON U.S. MARKET

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Finance.

Can the minister tell the house whether the Quebec government's decision to float a $50 million bond issue on the United States market will result in the cancellation of the recent decision of the federal Minister of Finance to redeem Canadian bonds held on the United States market?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I tried to rise at the end of the written question period, Mr. Speaker, but I did not catch your eye. I should like to ask the government house leader if he will use his good offices to secure answers to questions currently on the order paper. There are some 37 pages of them, less the 28 that were answered today, numbering down to 894 and dating back to March 1.

Hon. G. J. McIlraith (Minister of Public Works): I would be very glad to do so, Mr. Speaker.

NATIONAL DEFENCE

NATO—REMOVAL OF FORCES FROM FRANCE AND ESTABLISHMENT OF NEW BASES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of National Defence. In view of the fact that President de Gaulle has ordered all foreign military installations out of France by April 1, 1967, will the minister indicate the approximate date on which our forces will be moved from Marville and Metz, and the new bases to which they will be assigned?

Hon. Paul Hellyer (Minister of National Defence): This matter has been given serious consideration by the government. I expect we will be in a position to make an announcement shortly. I think perhaps it would be

better to wait until the details have been determined rather than give a statement to the house at this time.

Mr. Crouse: May I ask a supplementary question of the minister. I know he realizes that the maintenance of our aircraft is a highly sophisticated business, and it could well be that the ground crews would be thinking more of moving their wives and furniture than of maintaining the aircraft flown by our pilots. This could lead to serious problems. I ask the minister if he would recognize the urgency of this matter and reach a decision as soon as possible.

Mr. Hellyer: That is precisely one of the problems; I am determined to make every effort to assure that whatever moves are made will be made during the summer period so they will not disrupt the schooling of the children. This is one of the technicalities that is being worked out. As soon as it can be done I will inform the house. I should like to try, if we can, to inform the people concerned simultaneously or approximately at the same time as the information is made public.

[*Later:*]

Mr. Crouse: I have a further supplementary question for the Minister of National Defence arising out of the answer he gave to me some moments ago. When our forces are moved from Metz and Marville, is it the government's intention to maintain our eight squadrons of Starfighters in Europe in a nuclear strike role?

Mr. Speaker: Order, please. That is a question of general policy, and I doubt whether it should be asked at this time.

AIRPORTS

SYDNEY, N.S.—POSSIBLE OPERATION ON PART TIME BASIS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I should like to direct a question to the Minister of Transport prompted by a radio newscast over the week end to the effect that the operation of the airport at Sydney will be placed on a part time basis, namely, closing each night at midnight. May I ask the minister if he, as the minister concerned, is in a position to confirm or deny these reports?

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

Mr. Muir (Cape Breton North and Victoria): May I ask the hon. gentleman if he would interest himself to the extent of inquiring about what may be the future for the operation of the airport, and report to the house?

Mr. Pickersgill: I shall be delighted to do so.

TELEVISION

POSSIBLE EFFECT OF NEW REGULATIONS ON COMMUNITY ANTENNA SYSTEMS

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct a question to the Secretary of State. In view of the regulations recommended in the white paper on broadcasting just tabled, would the hon. lady say what effect they will have on C.A.T.V. systems, where they have a number of United States channels and a number of Canadian channels. Will these regulations in any way affect the viewing of the United States channels?

Mr. Speaker: Order, please. I have serious doubts whether this question can be asked at this time. This is a matter of a very general character, and I suggest to the hon. member that it cannot be asked now.

Mr. Hales: Mr. Speaker, may I ask the Secretary of State whether she intends to refer the white paper to the committee on broadcasting.

Hon. Judy V. LaMarsh (Secretary of State): Yes, Mr. Speaker, I do intend to do that, I would hope in the fall. If there is no summer adjournment, of course, then there is no reason why it should not be referred almost immediately.

Hon. E. D. Fulton (Kamloops): A supplementary question. May I ask the Secretary of State whether it is the intention to introduce during this session—I do not mean prior to adjournment but at this session of parliament—legislation to give effect to the recommendations of the government which are contained in the white paper, so that the white paper and a proposed bill would be before the committee? Will that be done at this session?

Miss LaMarsh: Mr. Speaker, I would not think they would be referred together; but whether a bill is introduced during 1966 would certainly depend on the progress made by the committee with the white paper in the fall.

Inquiries of the Ministry

EXTERNAL AFFAIRS

FRANCE—REPRESENTATIONS BY CANADA FOLLOWING BOMB TEST

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Can the minister tell us whether the Canadian government, as a Pacific power and as one having a special relationship with France, has made any representation to the government of France protesting the recent bomb test in the south Pacific?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, some time ago the government of Canada made known its view that all countries with a nuclear capacity should be encouraged to adhere to the partial nuclear test ban treaty. This includes, of course, the government of France as well as the government of mainland China. Neither country has adhered to the treaty, and there is no indication of any intention by either government at the present time to do so. It would be the sincere wish of Canada that they both would.

Mr. David MacDonald (Prince): A supplementary question. In view of the fact that other Pacific nations like Chile, Ecuador and New Zealand have already registered protests over this A-bomb test, have we registered an immediate protest over the test of the past week end?

Mr. Martin (Essex East): As I indicated, Mr. Speaker, before the recent test by the government of France took place we had expressed our desire and our strong view that all countries with a nuclear capacity should adhere to the partial nuclear test ban treaty.

TRANSPORT

ST. LAWRENCE SEAWAY—RECOMMENDATIONS BY AUTHORITY AS TO TOLL INCREASES

On the orders of the day:

Mr. Jim McNulty (Lincoln): Mr. Speaker, I have a question for the Minister of Transport. Could the minister tell the house whether he has received the report on tolls from the St. Lawrence seaway authority and, if so, would he make the report public?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, on June 30, late in the afternoon, I received the report required by law from the St. Lawrence seaway authority as to the sufficiency of tolls and the proposed changes related to the authority's financial requirements. The authority, I very much regret to say, has not been able to negotiate a joint report with the United States Development Corporation. I feel that the report should not be made public pending the outcome of possible further negotiations with the United States government, because, I think all hon. members would agree that it would be desirable, if possible, to secure such an agreement.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question on the St. Lawrence seaway.

Does the Minister of Transport intend to ask the St. Lawrence seaway administration to facilitate passage of pleasure craft through the locks of the St. Lawrence seaway?

[*English*]

Mr. Pickersgill: I would have to consider that question very carefully, Mr. Speaker.

Mr. Reg Cantelon (Kindersley): A supplementary question to the Minister of Transport. I should like to ask him whether the consensus of this report could be made available to the transport committee which could consider it in camera.

Mr. Pickersgill: Mr. Speaker, that is something that I would have to think about quite a lot. I think all hon. members would agree that if negotiations are to have any chance of succeeding there must be an opportunity for the parties to consider, without any outside pressures, the position they ought to take. However, I will consider the matter very carefully.

REQUEST FOR TABLING OF PRODUCTIVITY ANALYSIS OF CANADIAN RAILWAYS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the Minister of Transport and ask him if the productivity analysis with respect to Canadian railways was undertaken by Professor John Kendrick for the Department of Transport. If so, would the minister make the report public?

Hon. J. W. Pickersgill (Minister of Transport): I do not think, sir, there is anything that can properly be called a report on this subject. The gentleman in question, who is an expert, was retained by my department to give some advice on this subject in relation to a matter that was under discussion between the government and the two main Canadian railways. Much of the information or the opinion given by the gentleman was oral. It was given for the guidance of the government in a negotiation with the railways that is not completed. I cannot think that it would serve any good purpose to attempt to give any kind of summary of that matter at this time.

Mr. Orlikow: A supplementary question, Mr. Speaker. I would ask the minister whether he is aware that the alleged contents of this report were used by the Canadian National before the conciliation board headed by Mr. Justice Cameron.

Mr. Pickersgill: I had no knowledge of any such thing until such an allegation was made to one of the officers in my department by the hon. gentleman.

Mr. Orlikow: A further supplementary question, Mr. Speaker. I would ask the minister whether the material in question could be made available to the union so it could answer the arguments presented—

Mr. Speaker: Order, please. That part of the question is hypothetical.

HIGHWAY SAFETY

REQUEST FOR TABLING OF REPORT OF OFFICALS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I wish to direct my question to the Minister of Industry. Will the minister table in the house the 26 page report which was drafted following a two-day meeting of officials from across the country in regard to car design and safety measures? The report is marked "Restricted and not for publication", but is referred to and reported in detail in the Oakville *Journal Record* of Thursday, June 30.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I will give consideration to that request.

[*Translation*]

AGRICULTURE

QUEBEC—PROTESTS RESPECTING DAIRY POLICY

On the orders of the day:

Hon. Théogène Ricard (Saint Hyacinthe-Bagot): Mr. Speaker, I have a question for the Minister of Agriculture.

Has the minister read the article in the farm paper *La Terre de chez nous* of June 29, 1966 entitled "Ottawa Dairy Policy Inadequate" and can he tell the house what he intends to do to give justice to dairy farmers?

Mr. Speaker: Order. The question put by the hon. member is out of order. He asks whether the minister has read an article and I do not believe that, put in that way, it can be accepted.

Mr. Ricard: A supplementary question, Mr. Speaker. I should like to ask the minister whether he is now convinced that his dairy policy is not in line with the requirements of dairy farmers?

Mr. Speaker: Order. The question is now argumentative.

Mr. Gilles Grégoire (Lapointe): May I put a supplementary question, Mr. Speaker, in order that my question may be in order?

Has the minister received representations from the Quebec Catholic Farmers Union to the effect that the Ottawa agricultural policy is inadequate?

Hon. J. J. Greene (Minister of Agriculture): I do not recall any, Mr. Speaker, but I shall take the question as notice.

[*English*]

GRAIN

WHEAT—INQUIRY AS TO TWO PRICE SYSTEM

On the orders of the day:

Mr. E. Nasserden (Rosthern): I have a question for the Minister of Agriculture. Could the minister tell us when the government will be in a position to announce any policy regarding the two price system for wheat.

Hon. J. J. Greene (Minister of Agriculture): If government policy is made in this regard it will be announced in the normal manner.

Inquiries of the Ministry

NATIONAL DEFENCE

INQUIRY AS TO RETIREMENT OF SENIOR OFFICERS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of National Defence. Did any of the three officers replaced at the top level of his department, as announced this morning, retire voluntarily?

Mr. Speaker: Order, please. I do not think this question should be asked at this time. It should be put on the order paper.

FARM MACHINERY

COMMISSION OF INQUIRY—INQUIRY AS TO START OF WORK

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Minister of Agriculture. Can the minister inform the house whether Dr. Barber, the commissioner who will investigate prices of farm machinery, has yet started his work? If so, has the government anything to report on this matter?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, Dr. Barber has commenced his work but I have nothing to report with respect to any findings at this time.

CANADIAN BROADCASTING CORPORATION

REPORTED FAILURE TO ANSWER UNION WAGE DEMANDS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for the Secretary of State. Is the minister aware of the wage demands of the National Association of Broadcast Employees and Technicians made on January 1 of this year, and that the C.B.C. management as yet has made no offer to the union? Can the minister look into this and see that some offer is forthcoming in the near future?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, as I understand my role, it is not to interfere with management.

[Mr. Greene.]

RESEARCH

SUGGESTED ESTABLISHMENT OF SPECIAL COMMITTEE ON SPACE RESEARCH

On the orders of the day:

Mr. David MacDonald (Prince): My question is addressed to the right hon. Prime Minister. In view of the remarks made over the week end by Dr. Gerald V. Bull who is in charge of space research at McGill University, to the effect that Canada at present has no space policy whatever, is thought not being given by the government to establishing —I suppose it will now be in the fall—a special parliamentary committee on space research, and a policy with regard to space research?

Mr. Speaker: Order, please. I wonder whether this question is so urgent that it should be asked now. I would suggest to the hon. member that he give that some thought.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. In view of the fact that we are looking forward to a fairly imminent adjournment, and because a considerable government staff change is to take place relating to our space policy, I submit we ought to have some indication whether the government intends to do anything with respect to the establishment of space policy through a parliamentary committee in the fall.

Mr. Speaker: I think the question is much too general in nature and cannot be asked.

CANADIAN COAST GUARD

INQUIRY AS TO TENDERS FOR NEW VESSELS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): My question is for the Minister of Transport. Now that the month of July has been reached, could the minister advise whether tenders have been or will be called soon for the construction of the first of the new series of coast guard ships, as we were advised would be the case in the committee on transport and communications during consideration of estimates?

Hon. J. W. Pickersgill (Minister of Transport): I shall be glad to inquire.

VETERANS AFFAIRS

INCREASES IN PROVINCIAL WELFARE PAYMENTS TO BE CONSIDERED AS INCOME

On the orders of the day:

Hon. Léo Cadieux (Acting Minister of Veterans Affairs): I would like to answer the question put to me by the hon. member for Queens (Mr. MacLean) as it appears on page 6937 of *Hansard* for Tuesday, June 28, 1966, regarding the supplementary allowance available to certain individuals in Prince Edward Island.

This recently announced supplementary allowance, which is available to recipients of the old age security pension in Prince Edward Island, does not constitute exempt income under the War Veterans Allowance Act and regulations and must therefore be assessed as income for war veterans allowance purposes as is the case with the old age security pension.

In his question the hon. member for Queens referred to the supplementation of old age assistance in Prince Edward Island. This, however, will have no effect on recipients of war veterans allowance as they are not entitled to receive old age assistance benefits by reason of paragraph (b) of subsection 3 of the Old Age Assistance Act, which states that old age assistance may not be paid to recipients of war veterans allowances.

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO EXTRADITION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to direct a question to the Solicitor General, notice of which I gave him on the airplane as we were coming from Toronto this morning.

In view of the reports in the Toronto newspapers that the R.C.M.P. has obtained sufficient evidence to warrant extradition proceedings against Hal Banks, the former head of the Seafarers International Union, is it a fact that such investigation has been completed, and does the government intend to instigate extradition proceedings?

Hon. L. T. Pennell (Solicitor General): The material gathered by the R.C.M.P., Mr. Speaker, is being placed in the hands of a special prosecutor, and a final decision has not yet been reached.

Inquiries of the Ministry

HEALTH AND WELFARE

REQUEST FOR TABLING OF LETTER TO HEALTH INSURANCE ASSOCIATION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, on Thursday last the Minister of National Health and Welfare was good enough to confirm that he had written a letter on June 20 to the general manager of the Canadian Health Insurance Association, and that he would be glad to table it at the first opportunity. May I ask whether the letter is available for tabling now?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the letter is not available for tabling. I hope to table it today or tomorrow.

PENITENTIARIES

KINGSTON—APPOINTMENT OF WARDEN OF WOMEN'S PRISON

On the orders of the day:

Mrs. Grace MacInnis Vancouver-Kingsway): I wish to direct a question to the Solicitor General. Can the minister inform the house as to the probable date when a permanent warden for the women's penitentiary in Kingston will be appointed?

Mr. Speaker: Order. This question should be placed on the order paper.

FISHERIES

BRITISH COLUMBIA—DAMAGE TO SALMON SPAWNING GROUNDS BY LOG RUN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Minister of Fisheries arising from my understanding that the hon. gentleman was able to spend some time in British Columbia over the weekend. I should like to ask whether while in British Columbia he was able to make any progress toward settling the difference of view between the Department of Fisheries and the government of British Columbia on the question of driving logs in the Stellako river.

Hon. H.-J. Robichaud (Minister of Fisheries): As the hon. member knows, the applicants who had sought a writ of mandamus have withdrawn their application to the supreme court. The matter is now before the Department of Justice, and I am getting legal advice as to what steps should be taken next.

Canada Assistance Plan

Mr. Barnett: May I ask the minister whether his department or the international pacific salmon fisheries commission have conducted an investigation, or will conduct an investigation, concerning the damage resulting from this year's log drive on the river so that we may have a further assessment of this situation?

Mr. Robichaud: Yes. Technicians of the department were present when the drive took place the week before last, and we are now awaiting a report as to the extent of damage done to the spawning grounds.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed, from Thursday, June 30, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as far as this legislation is concerned, it has been made perfectly clear by various speakers in Her Majesty's loyal opposition that we support the measure in question, though believing there are various changes which should be carried out to make these proposals more effective.

We are greatly disappointed at the absence of any suggestion on the part of the government that an additional $25 a month is to be made available to the old age pensioners of Canada. No one can argue that today, with the cost of living the highest in history, $75 a month meets the elementary requirements of fairness or equity. There are many thousands of people who have been waiting for action, and who from week to week live on a mere pittance, their hopes kept alive by periodic statements that sometime, some where, some place, something will be done.

Today, I intend to review the stand which we, as the opposition, have taken on this matter throughout the last couple of years. I make no apology for going into detail, and I resent very much the suggestion of the minister that there has been on the part of the opposition an attitude of filibustering this bill. As far as the Conservative party is concerned, representatives from all the provinces, I think, have made their views clear. They have the right and duty to do this.

[Mr. Robichaud.]

The minister in a moment of annoyance, I think, decided he would brand the opposition as being responsible for a filibuster, thereby taking the pressure off the government for action on behalf of the old age pensioners. Just after he spoke the other evening in this regard I decided to look up the meaning of "filibuster". In the old days in parliament speeches of seven, eight, nine or ten hours were not unusual. Those days, of course, are past. I recall I used to get *Hansard* in 1910. I was greatly impressed by a member by the name of Mr. Lafortune who, at the end of 14 hours, told the Speaker that he was "about to come to the essential portion" of his argument.

I recall very well that in the days of Prime Minister Mackenzie King speeches on occasion were of almost limitless extent. No one suggested that Mr. King would engage in a filibuster against himself and his party. Mention is sometimes made here of Senator Wayne Morse in the United States. I find that on one occasion he spoke for 22 hours and 26 minutes; he was excelled in length only by a member of the legislature of Texas who spoke for 28 hours and 30 minutes.

Filibusters are in the nature of speeches made without any objective in mind except to hold up the passage of legislation by the government. It is not a filibuster to demand from the government justice on behalf of the old age pensioners of Canada.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The charge of filibustering has no effect, but it indicates a state of mind. The minister and the government do not like to hear this question discussed. They seem to be oblivious to the fact that everywhere across Canada there is an almost universal demand for this action to be taken.

The expectation last week was that the house would adjourn by Friday for a summer vacation. I have heard of no further prophecy since that prophecy turned out to be at variance with the facts. However, I believe the time has come for this house to determine on regular adjournment periods—at Christmas time, at Easter and for the summer vacation.

In the United Kingdom they have regular adjournment periods. I think we might very well follow that course; for in the last couple of days the government has seen fit to add one or two further measures to those already before the house.

• (3:20 p.m.)

And so it goes. Always at the end of a session governments find that there are matters they would like to get cleared away. The result is indefinite postponement of the rights of hon. members. Those who are here, not those who are travelling abroad, have the right to look forward to a reasonable expectation of being able to meet with their constituents and enjoying the rest they have earned by being here for such a long period of time.

Somebody suggested to me that one of the reasons for general expectation of an adjournment on last Thursday was that Mr. Commissioner Spence had his report ready and wanted to go on vacation. But now apparently the report is not to come until after adjournment. I do not want to see the commissioner denied his anticipated holiday. I would suggest, if the report is ready as is generally believed to be the case, having been completed some weeks ago, that we would be prepared to have the report brought down while the house is in session rather than waiting indefinitely for it.

Mr. Speaker: Order, please. I take it for granted that the right hon. gentleman's remarks are introductory in nature and that they will lead eventually to consideration of Bill C-207 which is the matter in hand. I would therefore take the liberty of reminding the right hon. gentleman that at the first opportunity he should address himself to the bill now before the house.

Mr. Diefenbaker: Mr. Speaker, I was simply pointing out that the house was to have adjourned last Thursday but that now the adjournment is indefinitely postponed, that various matters have been brought in at the last moment by the government and that we are prepared to have one more brought in. That was the point I was endeavouring to make by way of introduction, as you expressed it, to a full discussion of the bill before the house. I thought that the government would welcome the suggestion that we are prepared to wait even longer if only it will bring in the report instead of setting it aside to be brought in after the session adjourns.

It has been interesting to follow the government's peregrinations in connection with old age pensions. During the election campaign the Prime Minister (Mr. Pearson) said that he would not do anything that could possibly be construed as endeavouring to buy votes. That was the way in which he met the perfectly responsible program that we advanced for assisting the old age pensioners of Canada. As recently as June 14, the Minister of National Health and Welfare (Mr. MacEachen) reviewed the matter that is now before the house. But there was not one word of hope for the old age pensioner at that time.

What happened between June 14 and today? There have been no unusual cataclysms. The rise in the cost of living has been at about the same rate as previously. What has caused the sudden interest of reputable reporters in the press gallery, who have been able to set out in some detail the announcement that the minister will make when he has the opportunity to speak? The minister has had many opportunities to speak. Any day on motions, before the question period, he can get up and let the old age pensioners in on the secret.

He has not done so. On Thursday he put up the attractive member for Westmorland (Mrs. Rideout) who made a delightful speech. If everyone were as attractive as she is the house would be a most attractive place. But I was attracted by the fact that she did not give any of the answers. She could have told the expectantly waiting country what the government is going to do. But no, her lips were sealed except with regard to those matters on which none of us is in disagreement.

What has brought about this change? There was no thought of it on June 14. I do not know what has happened, but the press reports that the hon. member for Davenport (Mr. Gordon), a member to be reckoned with—the government has been reckoning with him for a long while—has urged the government to implement the Croll plan to provide a guaranteed income to old people.

The press also reports that the hon. member for Coast-Capilano (Mr. Davis) believes the government should make the Croll plan part of its program. The press reports that the hon. member for York North (Mr. Addison), a man who understands the needs of people, allegedly accused the government of lying on this matter. I presume that had reference to its recumbency. Finally, the hon. member for Essex South (Mr. Whelan) was reported as saying that unless something was done he could not face his constituents.

I do not know whether these press reports are correct. If they are, they indicate that

there is a basic reason for the sudden conversion of the government to the need of taking action. Long before June 14 the Senate report was published. Why has there not been any action on it until now in the last hours before adjournment? First the government said it would not do anything about increasing the old age pension from $75 to $100. The suggestion of such an increase was ridiculed by the Prime Minister when he spoke in Prince Edward Island. He said he was not going to make an auction block out of a political campaign. He was not going to promise $105. It is interesting that that is the figure he mentioned.

Since that time the government has had every opportunity to act but it has not acted. Every Liberal member has voted against increasing the old age pension from $75 to $100 a month. When I hear some members of the Social Credit party speaking out I am reminded that they joined with the Liberals in that action. Had it not been for that fine, filial relationship between the Liberal party and the Social Credit party, the old age pensioners of Canada would today be getting $100 a month. The hon. member for Medicine Hat (Mr. Olson) is not in the chamber. If he were I would refer him to some of his own contributions in this connection when on almost every occasion we tried to get action, he was almost the first to rise to argue that our amendments were not constitutional according to parliamentary authority. He rushed in on every occasion, but in his absence I refrain from going into details.

From the beginning to the end on this question, not only in this session but in previous sessions, the government has revealed itself as playing a game, a charade of hypocrisy, wherein the old people of Canada are to be engaged in guessing the meaning of the words and the promises made by the government. What is the reason for this change of attitude? This is a government that bends and, if the wind is strong enough, it is always able to bring about that which it previously had said could not be done. It always stands firm until public opinion is aroused.

• (3:30 p.m.)

What do we find in this connection? The minister has been denied an opportunity to open what one might refer to as Pandora's box. I think this is unfair to him. I might as well tell the house what he will say when he speaks because it has been made available in the press over and over again. Several days ago representatives of the Toronto *Telegram* and the Toronto *Star* stated that when the minister spoke he would indicate that nothing is going to be done now, but that assistance will be given in the fall by the provision of an additional $30 per month to qualified pensioners. Mind you, the minister did not give the information, but the newpapers indicate that this information comes from well-authenticated sources which have always been reliable in the past.

[Mr. Diefenbaker.]

Again I can only rely on these formidable witnesses of the press who have stated that anyone whose income is below $1,260 per year will be given assistance. What will happen is that a needs test plus a means test will be applied so far as the needy of this nation are concerned. How many are there in this category? Outside of the farming community there were 425,446 in 1961 who had an income of under $1,000 a year. That relates to total income which means that the $65 per month that was being received was included. We had raised their pensions to that amount by then. How many people fall within the category of $1,000 to $2,000 in income, again including the $65 a month? In that category in the same year there were 158,501.

During the last election campaign, and here in this house, we took the stand that the tremendous exactions under the old age pension scheme would permit an increase being provided out of the surplus moneys collected over and above the actual expected requirement. The hon. member for Grey-Bruce (Mr. Winkler) was able to find out as a result of questions, that as of March 31, 1966 the excess that had been collected amounted to approximately $217 million. As of December 31, 1965, the amount was about $140 million. In other words, in three months there was an increase of $77 million. At that rate of increase the amount today over and above what is actually needed for the payment of old age pensions would be in the neighbourhood of $300 million.

I should like to ask the government a few questions and perhaps the Prime Minister will answer them. Can he inform the house whether or not it is a fact that the surplus to which I have made reference has been judged by the experts of the Department of Finance to be sufficient that it would be feasible for old age pensions to be increased immediately to $100 per month? Will the Prime Minister indicate that those experts have gone even further and have come to the conclusion that

the surplus would permit an increase in pensions to $125 a month by next year? Following the increase in 1963 of payments into the old age security fund, 1 per cent additional to raise them from 3 per cent to 4 per cent, is it a fact that experts in the Department of Finance calculated that by the fall of 1967 it would be possible to make an increase not only to $100 per month but to $125 per month?

These are things about which we are entitled to have some information. The surplus next year will be much larger than it is this year. I should like to know why the government will not take action, except by way of a smoke screen provision to be announced, on behalf of all the old age pensioners of this nation.

I have made reference to the Prime Minister's speech in Charlottetown on October 16, 1965. In this regard I should like to quote from an article written by Mr. Fraser Kelly which appeared in the Toronto *Telegram* on October 18, 1965. The Prime Minister is reported as having pointed out that Quebec had opted out of the pension plan and was not paying into it so that if Mr. Diefenbaker's proposal were acted upon Quebec would be getting the higher pension without paying for it. The article then states:

> This means people in Prince Edward Island would be paying for Quebec because people in Quebec wouldn't be paying for themselves, he said.

The article then states:

> He extolled the virtues of the Canada Pension Plan. Then he scornfully rejected opposition promises of $100 a month—

What changes have taken place in the thinking of this government since then? Let me refer to the various votes that have taken place in the house on this matter. On March 29, 1965, an amendment regarding old age pensions was moved in this house. It is interesting to note that when it was ruled out of order every Liberal member, and the Social Credit members as well, voted to uphold the ruling of the Deputy Speaker.

Again, when the hon. member for Winnipeg North Centre (Mr. Knowles) moved a motion in respect of Bill C-136, in connection with contributory old age pensions, to the effect that it be not read a third time but referred back to the committee of the whole house for the purpose of reconsidering clause 122, every Liberal member voted against any action being taken and again they had the support of their Social Credit allies.

On March 26, 1965, as recorded in *Hansard* that day, I moved, seconded by the hon. member for Perth (Mr. Monteith) that the bill in question:

> —be not now read a third time but that it be referred back to the committee of the whole so that the government may give consideration to and introduce amendments to the said bill to provide for a minimum payment of $25 per month out of the Canada pension plan account to all persons between the ages of 65 and 69 years who are retired from regular employment, and also to provide an increase from $75 per month to $100 per month for all those now 70 years of age or over.

• (3:40 p.m.)

I see that the hon. member for Hamilton East (Mr. Munro) got into the act. He said how unconstitutional and unparliamentary that would be. There was the insistence of the hon. member who is now Minister without Portfolio (Mr. Turner). Again there was the ruling that the amendment in question was not in order. The Deputy Speaker so ruled and the decision of the Chair was sustained. All hon. members voted to sustain it except the Conservative members. It is interesting to follow what happened. This was over a year ago.

Then we come to 1966. In January I moved that an increase from $75 to $100 a month be made. What happened? Again, all the Liberal members voted against it. I had made it clear in the earlier vote that the vote on this question would not be one of non-confidence, that it would not mean the defeat of the government. But they lined up to defeat the motion. It is amazing, that within a period of only 20 days since the minister introduced this legislation, there has suddenly been a realization that something must be done. They forgot all about that on previous occasions.

On April 6 this year the hon. member for Grey-Bruce (Mr. Winkler) introduced a private resolution as follows:

> That, in the opinion of this house, the government should give immediate consideration to the advisability of introducing a measure to increase the amount of pension provided under the Old Age Security Act to $100 a month and lowering the age of eligibility of applicants to 65 years.

That was a private member's resolution. In no way would its adoption have been construed as a vote of non-confidence. But it is of interest that it was talked out and that the government's final speaker was the hon. member for Westmorland (Mrs. Rideout), Parliamentary Secretary to the Minister of National Health and Welfare. The reason

was, of course, that the government did not want a vote on this question. Lest there be any mistake about it I will read what she said, because she speaks with the authority of a parliamentary secretary. She said:

> Mr. Speaker, some hon. members are calling for the question to be put. I should like to draw to their attention the importance of the matter under discussion. I was prepared to put forward quite legitimate arguments giving the government's viewpoints with regard to increasing the old age pension to $100 a month. Many members on this side of the house, and I am sure on the other side, would have welcomed the opportunity to speak in this debate today. However, many of them have left for the Easter recess, under the impression that we would continue with government business, a procedure which was denied by hon. members opposite. Therefore with all due respect, Mr. Speaker, I should like to call it six o'clock.

There was some argument. Six o'clock came and out went the hope of adoption of even a private member's resolution to this effect. Even this cursory review shows the attitude of this government. They will not face the problem that is faced by the old age pensioners of Canada. I said a moment ago that the minister had lots of chances. We have been hungrily waiting in expectation of his rising and revealing what the government has in mind.

I asked the Prime Minister the other day, "Are you going to bring in legislation to increase the old age pension from $75 to $100 a month before the adjournment?" The answer was "no". The minister could have made this announcement at any time. I again repeat that what he had in mind was that he would wait until the end of this debate, would then march in and produce this plan, a plan which the government believes will delude the old age pensioners. There could be no discussion, of course, thereafter.

If the minister does not get the opportunity today to place this matter before the house, I for one, and I am sure all hon. members on this side of the house, would be willing at any time to revert to motions so that the anticipated announcement, which is as public as the sun, could be made to this house. But that is not the reason they have not done so. The announcement has not been made because the government knows that the opposition will not accept this promise as being adequate, appropriate or in keeping with the rightful demands of the old age pensioners of Canada.

We have made our position clear. The government has applied the whip to Liberal members, because when they meet us outside many of them are quite willing to say, "We know this should be done but what can we do?" That is their attitude. They cannot do anything; they are not allowed to do so. There is one hon. member, a very charming one too, from the Ontario constituency of Brantford. He is all for $100 a month for the old age pensioner. He was for it all through the election campaign. He said, "When I get down there you are going to hear from me." He came back here, but when it came to voting he lined up with the other Liberal members. After all, the whip said, "The government does not want you to vote for it. Line up, or else."

We have again made our position clear on various occasions throughout this debate. Our position is simply that no alternative to $100 a month for the old age pensioners will meet the situation.

Mr. Knowles: Without any means test.

Mr. Diefenbaker: Yes, without a means test.

Some hon. Members: Hear, hear.

• (3:50 p.m.)

Mr. Diefenbaker: We welcome the fact that there has been a softening of the opposition of the government since the Prime Minister spoke in Prince Edward Island in October. At that time he would not have anything to do with this matter; it was ridiculous. But the pressure of public opinion has brought about a slight change.

Someone suggested that we would be giving an increase to old age pensioners with incomes of $10,000 a year or more. My recollection is that approximately 78 per cent of Canadians 70 years and over have incomes under $2,000 a year, including their pension. It would be a great day for the old age pensioners of Canada if the Liberal members opposite were to vote in the house as they speak out of it. This would be an unbelievable miracle, although I still believe that the day of miracles is not over. They could prove that they mean what they say.

Our stand is clear and definite and it has been made so on many occasions. It will not be met by any scheme whereby everybody who on bended knee, asks for the extra $30 a month will have to go through a course of catechism and interrogation. That is a denial of the rights of free men. Just imagine saying to all the old people of Canada: Line up here on the left and we will provide an opportunity for you to get an extra $30 a month. But you have to prove that you are in need. You have to assure us that you do not meet the

means test that we will apply. There is no meaner test than a means test. We stand against it.

I could say a great deal more on this occasion but I will limit myself to reiterating our stand which is now a matter of reasoned acceptance. We all took this stand last year when we found that the government had no realization of the needs of old age pensioners. We shall continue to press forward and, no matter what the government may have in mind, our purpose is to do everything we can to bring about this increase.

I hope that the hon. member for Okanagan-Revelstoke (Mr. Johnston), who has expressed himself with such power in this debate, will be able to bring about such a change of mind in his party when the vote takes place as he displayed in taking the very opposite stand. I cannot put a question to the Leader of the Social Credit party as he is not here today. I am sure that, if he were here, he would feel constrained to support the views of that hon. gentleman. That shows what the influx of new blood into a party will do. In January he voted against the increase but in the intervening months he has found that that was wrong.

Mr. Johnston: No, Mr. Speaker.

Mr. Diefenbaker: If he has not, I will give him an opportunity to speak.

I thought the hon. gentleman was going to give us an explanation of the unexplainable but he is not. He will sit where he is. Conversions such as these are welcome; they show what parliament can do. It is sometimes said: "Will you love me in September as you did in May?" I say to the hon. gentleman: Don't love the old age pensioners in June as you did in January.

Mr. MacEachen: May I ask the right hon. gentleman a question for clarification purposes? I gathered at the beginning of his comments that he stated that the members of the opposition as many have already indicated, would vote in support of this bill, and then at the end of his remarks he anticipated a vote in which he would vote against. Was he referring to the second reading of the bill?

Mr. Diefenbaker: I hope the minister is clearer in the presentation he will make than in the interpretation of my remarks. We support the bill in its present form and we said so at the beginning.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Applause is unnecessary. We said we supported this measure over and over again. We trust that the opportunity to vote will be given to assure us that the government will be forced to do that which justice demands in every part of this country. The government has been forced into the position of bringing in changes to this bill which are to be announced by the minister and which we all look forward to hearing. I hope that between now and the time the minister speaks he will rise and say: On the 14th of June I did not expect to advance any legislation to give an increase to old age pensioners but I have looked this over and now I intend to promise those in need $30 a month provided they go through a means test. I hope he will then say: I intended to announce this—it has already been reported by the press—but after listening to all the arguments I have decided that I will come out in favour of an increase of $25 a month without a means test. If the minister does that, he will be in the strongest possible position in the steeplechase that is about to take place.

Mr. Whelan: May I ask the Leader of the Opposition a question? He made reference to a statement of mine having appeared in the press in which I said I had not been able to face my constituents. Could he tell me where such a statement was reported and when it was made? I am not one who is used to my comments being reported incorrectly by the press.

Mr. Diefenbaker: I recall reading this statement in the press. I am sure the hon. gentleman does not belong to that group of members of parliament who are unaware of their names having appeared in the press. However, I will find the particular newspaper in which it appeared. Now that he has intervened, I will ask him whether he did say that.

Mr. Whelan: I never said it in the presence of any member of the press—

Some hon. Members: You hoped it would not be reported.

Mr. Whelan: —and I never expressed myself in the terminology used by the Leader of the Opposition. I am in favour of the proper treatment of the elderly people in this country.

Mr. Deputy Speaker: This may be the right time to give the hon. member for York South the opportunity to speak.

Canada Assistance Plan

Mr. David Lewis (York South): Mr. Speaker, similarly to everyone in the house I want to say something about the subject of old age pensions. Before I do that, however, I want to express my own disappointment at the bill as a whole. If the minister were to rise and ask me whether I intend to vote for the bill my answer to him would still be in the affirmative. Those of us who want improvements in the field of social welfare have frequently been faced with suggestions which appear to be half a loaf while they are only a quarter of a loaf, and in such circumstances we are forced to support this bill rather than have nothing at all.

First of all I wish to say, Mr. Speaker, that it seems to me that our attitude to welfare has over the years always been one of charity. I have found that private charity has carried over into the public domain. Every time persons in need have required assistance they have been able to obtain it only by begging from the municipal or provincial authorities, by having to prove need or by having to go through some kind of humiliating test.

• (4:00 p.m.)

The improvement in this legislation, and it is supposed to be an improvement, about which the minister has boasted is that instead of having what has been called a means test there will now be a needs test. The only difference that I can see is, as someone has said, in the spelling. Instead of having to prove a certain amount of income the person seeking relief, in addition to showing what his resources are, will have to show what his budgetary needs are. Some social welfare person from some board or department will be in a position to say to the applicant for assistance; I consider this item is necessary for you but that item is not. This is what the test means.

If a person is in necessitous circumstances some bureaucrat, someone representing some municipal or provincial department, will be able to go over that person's means of living and say to him: This you may have but this you may not have; you may not have this because in my view, and in the view of others like me, you do not need it. You do not need to smoke. You do not need to take a trip somewhere once a week. You do not need a television set because I consider it to be unnecessary.

Make no mistake about it, the needs test just as much as the means test means that the person applying for assistance will have to humiliate himself not only by showing what his resources are but will also have to haggle with someone, to bargain with some welfare officer, when getting assistance. This is as humiliating as the means test ever was.

Of course, the minister is able to boast about an improvement because we started with an evil, wicked base, a humiliating base, and when you reduce the humiliation somewhat you are able to boast about improvement. However, the humiliation is still there to a large extent. We in our party, as our leader stated the other day, are looking forward to the day when assistance to people who require it will be based on the concept of a guaranteed annual income or some form of income maintenance. If a person's income does not add up to the level which has been set, not by some arbitrary officer somewhere but by what a budgetary analysis will make clear a person requires in order to live in decency, then his income will be augmented up to that level.

Mr. MacEachen: May I ask my hon. friend a question? He has referred to the proposal put forward by Senator Croll. Would he agree with the income test implied in the proposal, or a test that he envisages under the income guarantee program?

Mr. Lewis: No, Mr. Speaker, and for three reasons. First, if it is intended to be an income maintenance plan the amount suggested is obviously far too low. Surely no one in this house or in the other place believes it is possible for a man to live on $105 a month. I believe the Senate report suggests that his total income should be $1,260 a year. If the Senate committee believes a man can take care of his needs in dignity and self-respect in 1966 on $105 per month, they are talking without knowledge of the cost of living in Canada.

I believe the committee also suggested that the $105 would not be doubled for a couple but $185 would be set for two people. I have seen various calculations made by welfare councils, and if my memory serves me correctly the minimum amount required for a couple to live in self-respect and dignity is somewhere around $3,000. As I pointed out in another debate, in modern, cost-of-living terms a family of four would require $4,700. My first answer, therefore, is no, I cannot accept the Senate committee report. If it is intended to be an income maintenance plan, the amount suggested is niggardly. I suppose when you look at $75 and raise it to $105 you might think you were doing something very

good because the percentage increase is substantial.

Mr. MacEachen: I do not want to intrude on my hon. friend's time but I am interested in whether he supports the income test in principle, because earlier he said he was prepared to accept an income maintenance program on the basis of budgetary studies which would be applied, no doubt, under such a program.

Mr. Lewis: Obviously, if you have an income maintenance program, you have got to find out what income a person has; otherwise you cannot have an income maintenance program. I am sure the minister knows that as well as I do. If you are going to say, you must have at least X hundreds of dollars a year or a month in order to live and we will make up anything below that, then there has to be some kind of measurement of a person's income. There are two ways of measuring it, however. One would be to put the person concerned through some humiliating test where every detail has to be discussed, as is the case with the needs test.

I realize that many people have said the needs test is an improvement. I know that most social workers have said that the test the minister proposes in the plan under discussion is an improvement. I have no doubt it is an improvement if you have a good social worker. A good social worker, if he or she has a heart and a knowledge of the needs of people, will be able to get more for the person concerned under this kind of plan than he or she could under the categorical payment plan. I realize that. However, I say that the requirement that a person sit down and haggle with someone else over what he is entitled to have before he will be able to get assistance does not make me any happier. This is a humiliating thing, and I do not like it any more than the minister, I am sure, likes it.

Mr. MacEachen: I will not be asking my hon. friend another question because I do not want to interrupt too much. However, is he not aware that under the Canada Assistance Plan it is possible to provide a level of income support along the lines he has mentioned, without subjecting the individual to the necessity of going into detail about what his needs are, because of the use of the community budget studies, which are an essential part of the plan?

Mr. Lewis: Mr. Speaker, how does the minister know? He is taking me to my second point. This is the second major weakness in his plan. He sets no standards and he does not know what the studies will reveal. He has no idea what the standards will be. Furthermore, anyone who knows anything about social welfare in Canada, and I do not pose as an expert, knows quite well that standards differ from province to province and from community to community within a province. The standards will be different for metropolitan Toronto and the larger cities in this province compared with the smaller communities in which there may be no social welfare staff and where some committee of the council will set up what the standards shall be. So long as the council has to bear some share of the payment, then the council will be concerned with the cost and the applicant for assistance from the council will suffer.

• (4:10 p.m.)

This takes me to the second major weakness of this bill. However, may I first get back to the point I was making earlier. There are two ways of testing an individual's income. One is the humiliating way and the other is the simple way in which all of us are tested for income tax purposes. The part of the Senate committee report which, if I understood it correctly, appealed to me was the suggestion of an income calculation which would be as simple as the income tax form, or perhaps not as simple but as clear and as limited in the information required as any income tax form. To that extent it would be an improvement.

I come back then to the lack of standards in this bill. This worried me immensely from the very start, and I must say that I have not been able to feel even as approving of the bill as some other members in this house, even some of those who have criticized it.

The one great evil in this country over the years, the one heartbreaking fact about Canada which I am sure has been the cause of greater disunity than anything else, language and culture included, has been the terrible inequality which exists in this country. I have been in communities in this country—and I am not going to mention even the provinces, let alone the names of such communities—where the welfare program is absolutely shameful. There is a lack of welfare workers and a lack of any humanity toward the people who are in need.

These communities will be able to get 50 per cent of their expenditures in an indirect way through the provinces, no doubt, but will

their programs be improved? Is there any guarantee that they will treat the needy of Canada with greater consideration than they have up until now? Furthermore, there are provinces in this country—and the minister represents a constituency in one of them —which with the best intent in the world cannot provide the assistance to the needy in the province that anyone with any compassion would consider half adequate, let alone sufficient.

As far as I can see, and I am sure I see correctly, this bill does nothing to establish standards across Canada. It leaves it entirely to the provinces to establish those standards. If the minister says that this is because of the constitutional situation, then I would say to him, with the greatest respect, that the constitution is used too much as an excuse for refusing to equalize the opportunities in this country. Without claiming to be a constitutional expert, but as a lawyer who has read something about our constitution, I know of nothing in the constitution which would prevent the minister from providing in this bill that if such and such a standard were met the government would pay 50 per cent, if such and such a standard were met the government would pay 60 per cent, and if such and such a standard were met the government would pay 75 per cent.

I make the concrete suggestion that there ought to be in the bill an inducement to improve the standard of care for the needy people in Canada, so that those provinces which cannot afford the standard that some other province is able to afford will gain from the bill a great deal more than is now offered them. Until such time as we do get in this country, Mr. Speaker, a sense of urgency as to the need to equalize opportunities for all Canadians, whether young or old, in need or in jobs, and until the big gaps in income per head of population which now exist between one province and another are eliminated, we will continue to have divisive influences which feed on the natural and desirable discontent and resentment prevalent among people in sections of the country who feel that they are not provided the same opportunities as those in other areas of the country. This is the second major weakness in this bill.

Third, another reason I feel unhappy about this bill, aside altogether from the question of the old age pensioners, is that modern welfare involves something more than the payment of money. It seems to me that this bill ignores the progress that has been made in the concept of welfare in 1966. It is not merely a matter of giving assistance. It is not even a matter of giving assistance to train welfare workers and to provide various forms of therapy for elderly and ill people who require it. There is also the concept in modern welfare thinking of providing older people with things to do, of funds being made available so that they can live useful lives in this country, and of building environments for them so that they can lead useful and dignified lives.

The other day the parliamentary secretary to the minister stated how important it was to take care of disturbed and retarded children. It has been pointed out in some provinces, particularly in the legislature of the province of Ontario in the last number of months, that there are tens of thousands of children who are disturbed and who grow into difficult people, to put it mildly, as they grow older.

What is needed in order to meet this problem is not merely an offer to pay a little bit toward providing the kind of service outlined in this bill but large, really massive injections of capital assistance to build the homes and the institutions required and to train people to take care of these tens of thousands of youngsters across Canada. There are probably 100,000 to 200,000 young people who, because of their environment, background and for various other reasons not of their making, or indeed often not of their parents' making, if they know who their parents are, require homes, institutions and the kind of care which, as far as I have been able to study the situation with the help of one very close to me, involves the provision of one teacher or one trainer per child.

As far as I can see there is nothing in this bill that recognizes the modern approach to social welfare. When I say nothing, perhaps that is an exaggeration and I should not put it quite that strongly; but there is very little in the bill which recognizes the trends in modern welfare.

This takes me, Mr. Speaker, to the question of the old age pensioners. I did not intend originally to take part in this debate, and I must say that the person who more than any other got me to my feet was the Minister of Transport (Mr. Pickersgill), to whom I will return a little later.

Listening to the debate on old age pensions and how much we should give our old age pensioners, I felt—and I am sure every other

hon. member including the minister must have felt this way—as if we were in a kind of Alice in Wonderland atmosphere. I am sure it would be most unjust to the minister, to all his colleagues in the cabinet and to the members who surround him to suggest that they have any less concern for the needs of our old people than have we on this side of the house. I am not saying this with tongue in cheek. I am sure that the minister is a kindly man—he looks it and I hope looks are not deceptive—who is as concerned about the plight of the old people in Canada as is anyone on this side of the house. However, he and his colleagues and those who support him have been the victims of an attitude over the years. They are the victims of an attitude which objectively, whatever their hearts say, is an attitude of callousness and mathematical calculation.

• (4:20 p.m.)

If, Mr. Speaker, you look at the history of the old age pension in Canada you will find, I think, a sordid story. Perhaps you will forgive me if I review the dates and a few facts. We start in 1927, after a long fight by the late J. S. Woodsworth, with a pension of $20 a month with a means test. I must say that every time I look at these dates I feel humiliated at having been in this country when this kind of thing happened. From 1927 until about 1944 people aged 70 and over received $20 a month after a means test. In 1943 or 1944 it was up to $25. I learned a long time ago when I was studying a little economics that if you make your base low enough your increase, no matter how small, can be a very large proportion of your base. Therefore, when you start with a measly, niggardly, inhuman amount of $20 a month with a means test and you raise it to $25, you of course have raised the amount by 25 per cent and everybody pats himself on the back for having been generous.

In 1946 the amount was raised to $30 a month but still with a means test. In 1948 it was raised to $40 a month, still with a means test. Without going back to the economics books, Mr. Speaker, I venture to say that the $40 in 1948 was worth not one cent more than $20 was in 1927, if it was worth even that much.

Not until January 1, 1952, which is the effective date, was the means test removed. The $40 was left. The $40 figure remained all the time from 1948 to 1957, despite the immense increase in the cost of living created by the Korean war in 1951, 1952 and 1953. The increases in the price index were greater than any other we have known since the end of the second world war. Yet we left the old age pension at $40 even though it was without a means test in the fifties. We introduced old age assistance at age 65.

The aged were fortunate that there was a series of elections following one another in rapid succession. Thus in 1957 the St. Laurent government increased the pension by $6 to $46. The right hon. Leader of the Opposition formed a government—

Mr. Douglas: Probably because of the $6.

Mr. Lewis: Probably because of the $6. That was a big increase, wasn't it? There was another election in 1957 and the amount was raised to $55. Still another election raised it to $65 in 1962 and yet another election and it was raised to $75 in 1963. I have often said to the old age pension oragnizations I have addressed from time to time: "If I were a member of your organization, I would have in the program of my organization a requirement for a federal election every year, because that way there would be a chance to get faster and better treatment."

The reason I am talking about this, Mr. Speaker, is that at no point in this succession of amounts, as I have been able to read the press and history, was there ever an attempt to figure out what an aged person needs to live on. At no time has that been done. At no time did any department of government sit down and work out what a man aged 70, or now 69 requires to live in dignity and self-respect?

Mr. MacEachen: There was a parliamentary committee in 1950.

Mr. Lewis: They did not decide anything so far as I can see. They were arguing mainly about removing the means test. They were not concerned with the amount. The hon. member for Winnipeg North Centre, I imagine, was a member of that committee.

Mr. Knowles: There is no imagination about it. I was there.

Mr. Lewis: As I remember the reports of the committee, which I read some years ago, that committee was concerned with the removal of the means test and with the introduction of old age assistance for those below age 70. It was not concerned with the amount.

Mr. MacEachen: There was a unanimous recommendation about the size of old age security payments, was there not?

Mr. Lewis: Would the minister repeat that? I did not hear him. I hope it was worth hearing.

An hon. Member: I am not so sure about that.

Mr. MacEachen: Did not the committee make some recommendations unanimously about the size of the pension?

Mr. Lewis: Committees must deal with what is before them. I am not here to defend that committee, even though my hon. friend, the whip of my party, was a member of it. I imagine, knowing him, that he must have fought like blazes to get the amount increased.

Mr. Knowles: To $50.

Mr. Lewis: To $50, he tells me. All he could get was the removal of the means test, and he took that. I do not blame him for taking what he could get. What he could get out of that government is about the same as we are apparently getting out of this government, and we shall be glad to take that too even if we do not like it.

Mr. Knowles: At that time the federal government was paying only $30 out of the $40.

Mr. Lewis: The point I wish to make, and I should like it to sink in if I can make my point vigorously and sensibly enough, is that at no time has there been the suggestion that the amount paid to the old age pensioner is enough. What there has been is a rather shameful kind of haggling—raise the amount by this or raise it so much. We have had political parties doing what we are doing here, namely, haggling with each other. Should the pension be $75? Should it be $100? Should it be $90? The fact is that even $100 is not enough for those people who have only the old age pension to live in dignity and self-respect. The Canada Assistance Plan will still have to be used for aged people living on a $100 pension.

Like other hon. members, Mr. Speaker, I have received letters from various people about this old age pension matter. What struck my fancy and my heart, if I may say so, even more than any letter I received, is one letter which I read in the Toronto *Telegram* of Monday, May 9. In the *Telegram* there is a column entitled: "Ask the Tely". In that column there is the following moving question by an old age pensioner, and it is all the more moving because of its simplicity than anything else:

> Is there a good second hand clothing store in Toronto. I'm an old age pensioner, and find it hard to pay the price asked for new clothes.—O.A.P.

Then the *Telegram* gives him the answer, referring him to three or four stores where this old age pensioner could get second hand clothing.

I lower my voice deliberately, Mr. Speaker. I say that so long as there is one person who is forced to write this kind of note to a newspaper in a society as rich as Canada, with a government that boasts of its concern for humanity and for welfare—so long as this happens every member of this house ought to be ashamed of the job parliament has failed to do for the old age pensioners of Canada. Whenever one reads this sort of thing in the newspapers of this country, and I have just referred to a mild complaint, a mild request, and remembers that the gross national product has gone up tremendously in the last number of years, I think that the citizens of this country, particularly those who have the means to live with self-respect and decency, ought to be ashamed of their failure to provide for these people.

I have in my hands a letter from an old lady:

> I am a widow 70 years old. I have only got my $75 old age pension to live on. I find it very hard with every thing so dear and things always going up.

This is the sentence to which I particularly want to refer:

> I wonder if there is any way you could help me.

Aside from any personal assistance, the way I can help her is the way all other hon. members of this party have decided to help her. That way is by raising this issue with all the force at our command so that this government will yield and bring about some humane treatment of the old people in this country. If somebody wants to call this a filibuster, let him do so; let him misuse words and twist the motives and intentions of people.

• (4:30 p.m.)

The fact is that the Social Planning Council of Toronto has pointed out that an elderly person needs $138.96 a month in order to live in some decency. If that sum were brought in line with the present level of the cost of living it would need to be increased somewhat. What we are saying to the minister and to the government is not that $100 a month is

enough for the old age pensioner—I am sure no one, even on the other side of the house, believes it is—but that it is essential as an act of humanity to increase the universal pension to $100 a month in order that those who still require assistance under the Canada Assistance Plan may be fewer in number and so that fewer people will be humiliated by having to submit to some test or other.

I am sorry the Minister of Transport is not here. I am sure he has other things to do. I am not blaming him for not being here, but this is my opportunity to speak and I cannot wait for him to be here. But the other day the minister interrupted the hon. member for Comox-Alberni (Mr. Barnett) to say, as reported in *Hansard* at page 7065:

> Yes, sir, I will be very proud to say that no country in the world makes such generous provision for its old people as does Canada. Everyone in this house knows it, and the hypocrisy over there is not going to conceal it either.

The ignorance of the minister, displayed with typical Pickersgillian assurance, is really shameful. When a minister of the Crown makes a statement of that kind to the house with the self-assurance which my friend of long standing used the other day, it cannot help but arouse the ire of anyone who knows a little about these things.

I do not intend to quote large numbers of statistics, but I hold in my hand a report provided by the research and statistics section of the Canadian Department of National Health and Welfare. This is not something compiled outside Canada; it is provided by the minister's own department. The date is January, 1965. Let me draw attention to several interesting figures. The report deals with various social security items in five countries, Australia, Canada, Great Britain, New Zealand and the United States. It appears that these five countries were chosen because there is greater similarity in their general approach to social security questions than might have been expected had other countries been chosen as well.

Look at the first table on page 2 of this report. It gives government expenditures on health and social welfare as a percentage of the gross national product in those five countries. Canada comes third. There are two countries below us on this list, the United States with 7 per cent, and Australia with 8.2 per cent. The Canadian percentage is 9.4. However, in the United Kingdom it is 10.5 and in New Zealand, 12.1. I should have said these figures are for the year 1962-63.

But on the issue concerning which the Minister of Transport spoke, the issue about which he boasted, namely, the treatment of our old age pensioners, Canada comes last of those five countries. As shown in table 3 on page 5 of this report, New Zealand was spending 3.6 per cent of the gross national product in this field. In the United Kingdom the percentage was 3.4, in the United States 2.7, in Australia 2.3, and here in Canada the figure was 2 per cent. Last of the five. Yet this is the country which is supposed to treat its old age pensioners much better than any other country. This is what the Minister of Transport dares to say. And if anyone wonders what is included in these expenditures footnote (e) at the bottom of the page makes it clear that they comprise old age security benefits and old age assistance payments. So it is the total payments to the old people that are involved. Canada comes last in this series of five countries.

Is there any reason for this? Is our standard of living, or gross national product per capita, lower than that of New Zealand or Australia or the United Kingdom? I appreciate that Australia and some other countries in the world have had old age pensions for a much longer time than we have and that in many instances the payments are more analogous to those under our Canada Pension Plan than they are to the old age security payments. A number of us in this house do, I am sure, regret that we did not begin the Canada Pension Plan at age 65 many years ago so that many of the problems we now face would not have arisen.

I was not a member of this parliament when the Canada Pension Plan was passed, but as I read the Canada Pension Plan and the speeches made by the Prime Minister and the Minister of National Health and Welfare during the election campaign and since, it seems to me that the Canada Pension Plan took the universal payment under the Old Age Security Act into consideration in arriving at the terms of the scheme.

Obviously, no one intended that the maximum of $104 a month, if I remember correctly, was sufficient for a person to live on. Time and time again spokesmen for the government said: When we have both the Canada Pension Plan and the old age security scheme in operation people will be able to breathe more freely than they can now.

Mr. Knowles: Yes, $250 for a man and wife. That is what they said.

Mr. Lewis: On that score, even if one looks eight or nine years ahead when the Canada Pension Plan will be fully under way, to add $75 to $104 would produce a total of about $180 a month. No one can suggest that even in 1966, let alone in 1975, it is possible for anyone to live anything but a shabby restricted, undignified and crushing existence on such an amount. This is why I plead with the minister and the government that the old age security payment should be raised now, not only to assist those who are not under the Canada Pension Plan but also to make the total old age pension package, when the Canada Pension Plan is fully in force, a great deal better than it would otherwise be.

Why all this long argument with the minister? Why is the government so adamant about this? Why is it that instead of coming forward with an obvious minimum of justice for the old age pensioner the government is considering plans, as the newspapers suggest, which include a means test, a needs test or some other tests, and all of this to be promised for the fall? Why not now? If hon. gentlemen opposite mean what they have said, if they intend to be recognized as a government of heart concerned about the Canadian people, who more deserve this concern than the older people and why not introduce now the small measure of justice which is represented by an increase to $100 a month?

• (4:40 p.m.)

Mr. Ian Grant Wahn (St. Paul's): Mr. Speaker, I would like to speak in support of the Canada Assistance Plan and, because I do support it, I wish it to pass promptly and therefore will be brief. As most members in all parties are aware, this plan has been strongly supported by many leading social workers in Canada, by men and women who are not much interested in grinding political axes but who have a real interest and expert knowledge in the field of social welfare.

This plan extends a bold, new guarantee to all Canadians in need. In accepting it the people of Canada for the first time accept responsibility to meet all the needs, no matter how great they may be, of Canadian children, widows, the disabled, the blind, the elderly and the unemployed. Under this plan we accept unlimited liability. We undertake to charge the public treasury to discharge our responsibilities to the needy throughout Canada. This is a program which I support and of which, as a Liberal, I am very proud.

[Mr. Knowles.]

While I support this bill, Mr. Speaker, I urge the minister to consider very seriously certain minor improvements in its administrative provisions. While the basic principle or guarantee to meet all needs covered by the bill is new, some of the administrative machinery is old and I believe can be improved. I urge that before the bill becomes law at least two administrative reforms be made by the minister. The plan now provides for an agreement between the federal government and each province and for the payment under this agreement of federal money to each province to meet the needs of its residents. This tends to make the program dependent upon the initiative of each individual province. This should be improved. The provinces may delay and in the different provinces benefits may not be based upon consistent principles.

Moreover, it seems to me unsound that the spending of money raised by federal taxation should be under the complete control of the individual provinces; nor am I convinced that the administration of this new program is best entrusted to the provincial welfare departments.

How is the problem to be met? I submit that we have sound precedents in our great universities, hospitals, charitable foundations and other public institutions supported by public funds but not directly controlled by governments. I suggest that in each province a joint Canada-provincial foundation be established, to be run by a board of governors on which the province and the federal government would have equal representation but with representation also from the ranks of labour, business, the professions and other interested community groups.

Such a foundation could also serve a very useful purpose in co-ordinating governmental efforts with the efforts of the very large number of private, charitable organizations now in the field. At the present time there is a real shortage of trained social workers and there is a great need for co-ordination of public and private effort in our war on poverty. The federal money paid each year to each such foundation could be subject to the scrutiny of parliament. Parliament would not lose financial control.

Would the provinces object on the ground that such a proposal was not discussed at the federal-provincial conference or that their welfare empire would be transferred to a public foundation? The foundation would not be federally controlled. There could be no valid objection on that ground. If the idea is

sound and welcomed by the general public, it would surely be accepted by the provinces. Nor can reforms suggested in this house be completely foreclosed by prior decisions made at federal-provincial conferences.

My second point is that it is vital, if federal money is to be spent, that we should have some say in the method by which needs are to be determined. No member here wishes to impose anything in the nature of a humiliating test: We cannot afford to have social workers, who are in short supply, checking on the needs of our citizens. On the other hand, if we are to eliminate need and poverty in Canada we must make certain that our money is spent wisely and that only those who need it get it.

Possibly we could adopt for this purpose one of the suggestions contained in the very valuable report made by the Senate committee on aging, the Croll report. Needs could be determined upon the basis of a return similar to an income tax return, with spot checks to catch the inveterate cheaters who unfortunately are to be found in some numbers in any society.

While the changes I have suggested are minor and administrative in nature I believe they are important. I hope they will secure the support of members of all parties in the house, of the Canadian public and, most important of all, of the minister who is responsible for this bill.

Mr. Robert McCleave (Halifax): Mr. Speaker, in a few brief words I would like to support the fight that the Leader of the Opposition (Mr. Diefenbaker) has consistently waged over the years for a better deal for those unable to help themselves. I think the argument he presented in his able speech this afternoon is completely unanswerable by the government, and I make a plea to the Minister of National Health and Welfare (Mr. MacEachen), who also represents a Nova Scotian constituency, that before the end of this debate he inveigle the Prime Minister (Mr. Pearson) into the house to make a statement that the request of the Leader of the Opposition is going to be met.

The most compelling and unanswerable statistic that I have found in my study of this problem is printed at the bottom of page 10 of the final report of the special committee of the Senate on aging. It might be assumed by a good number of Canadians that older people would have the advantage of some assistance from their families. Yet paragraph 3 of this report, at the bottom of page 10, point out that in 1961 there were 570,000 of what are called unattached persons, that is, widows, widowers or older people whose children have moved out, over two-thirds of them women and that their median income on the basis of non-farm sample was $829, with 60 per cent receiving less than $1,000 annually. In an aside the report says that we know less than we should about how these people manage.

An even more compelling statistic is that of the remainder, some 252,000 persons, 63 per cent of them were women living alone or with non-relatives, and were presumably dependent for the most part on their own resources. Of this latter group 53 per cent had incomes of less than $1,000, and among those age 70 and over 47 per cent of the men and 50 per cent of the women received almost their entire incomes in the form of old age security pensions. Thus we have a figure of approximately 130,000 people with no other income than $75 per month.

It is generally accepted that one-quarter of one's income should be spent on providing a roof over one's head. But for people in this category a generous nation suggests that $18.75 or $19, not to cut it too finely, is sufficient to spend monthly on accommodation. Where is it possible to get accommodation at such a rent in Canada today?

• (4:50 p.m.)

It has been suggested by various members who have taken part in this debate that if we pass the Canada Assistance Plan, permitting the federal treasury to enter into partnerships with the provinces which could vary from one end of Canada to the other, we will be applying different standards to help our elderly people in need, depending upon the provinces in which they live. This is quite obvious.

The hon. member for York South (Mr. Lewis) also drew our attention to the great difference in municipal welfare services across Canada. It could be pointed out that voluntary welfare services provided by agencies which exist in different parts of Canada also do not cover the whole country. We have the Red Feather appeals in metropolitan, city and town areas but no help is provided in many parts of the country by those agencies covered by the Red Feather campaigns. I think this argument tends to snowball in favour of something being done in a dramatic and even generous way by this parliament so that we

do not write off many members of a generation who are unable because of their age to look after themselves.

At page 11 of the Senate report to which I referred earlier there is an interesting table giving the percentages of non-farm population 70 years of age and over with annual incomes of less than $1,000, by sex, age, and marital status. Just dealing with one group, the male group, for the year ended May 31, 1961, the figure for those from 70 to 79 was 37 per cent, from 80 to 89 it was 58 per cent and for those 90 and over was 62 per cent.

One could go into the impelling needs brought about by advancing age, medical assistance and perhaps special foods. The costs of these are mounting inexorably and income is declining drastically. This situation is simply not fair to older Canadians.

Let me make a final point to the Minister of National Health and Welfare (Mr. MacEachen) in view of my familiarity with the area from which he comes. He represents Inverness-Richmond and Cape Breton. While prosperity there is not as noted as in other parts of Canada, the people do enjoy a reasonable environment. They have a love for things in Nova Scotia and wish to stay there to make their living. They are very proud people and I am sure if the minister went to their doors and attempted to explain a needs test as opposed to a means test he would not receive a warm welcome.

I am sure that the minister could look about the villages of his constituency and find that many of the people would sooner deprive themselves of the extra help that could be provided under a formula tied in with a test, deprive themselves of the necessities of life, rather than go through the humiliation of filling out such a form. I am sure there are hundreds of people in Inverness-Richmond who have that feeling. I know from my own mail that there are thousands in my particular area who feel that way.

In conclusion let me say that unless we wish to write off and relegate to the garbage heap of Canada tens of thousands of Canadians the minister would be well counselled to bring in the increase suggested by the Leader of the Opposition and others who have taken part in this debate.

Mr. Barry Mather (New Westminster): Mr. Speaker, for the past three or four days the members of this party and, I think it is fair to say, the members of all other opposition parties have been urging the government to reconsider the Canada Assistance Plan legislation and to bring in coincidental measures which would provide a minimum of $100 a month in old age security without a means test. During the three or four days I do not think one day has passed but that the newspapers of this country have reported that the government is considering doing something along this line. We can only hope they are right.

By way of encouraging the government and the minister to take some action in line with an increase in old age security pensions immediately I felt that for my part in this discussion I might do well to point out that it is not only old age pensioners who want and need more money and not only members of the opposition who are trying to get it for them but that some of the leading newspapers in Canada have come out almost daily repeating what we have said here. I should like to quote from one or two of these newspapers which have expressed this point of view.

The other night during this debate my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), said that by and large it would be remarkable to find that the newspapers of Canada were urging action for better social legislation. I think that has been the general case. Quite often in the past when editorials in newspapers have been concerned with social legislation they have said: "No, no, whoa, whoa" or "go slow." At this time it is quite remarkable to find that such newspapers as the Toronto *Telegram* are encouraging the government to do something. Let me quote from an article in the Toronto *Telegram* of June 25 this year under the heading "Aged Need Help":

> Canada's aged who are forced to subsist on a fixed income deserve additional government assistance. Now.
>
> This is a matter that should not be put off any longer.
>
> The spiraling costs of living have made it impossible for many of our old age pensioners to make ends meet. According to the cost of living index, prepared by the Dominion Bureau of Statistics, it requires $1.43 today to buy what $1 did in 1949.

The article goes on to say:

> The first payments under the new Canada Pension Plan will be made on Jan. 1, 1967, but these people will not benefit from it. The Canada Assistance Plan will establish what is tantamount to a means test when it is finally launched.
>
> Not only would our aged find a means test demeaning; but by the time the assistance plan is in operation, many of them may not be around to

enjoy the additional benefits they might have received.

That is why it is essential the government consider other steps with which to help those in need.

The article then goes on to state that the government should proceed with these steps immediately and not confine itself to the proposals contained in the Canada Assistance Plan.

On the same date another Toronto newspaper, the *Star*, which I believe is the leading Canadian newspaper so far as circulation is concerned, had this to say about the subject we have been discussing for several days and continue to discuss this afternoon, under the heading "We Can Rescue Canada's Over-65s From Want":

• (5:00 p.m.)

Poverty is the usual condition of Canadians over 65. According to the report of the special Senate committee on aging, 54 per cent of them had gross money incomes under $1,000 in 1961—less than $3 per day.

Compulsory retirement and unemployment keep them away from the Canadian feast of affluence which their lifetime of work helped to create. The committee found more than half of the 1.5 million Canadians over 65 to be in need of help.

How will the country, which clearly owes them dignity and comfort in their old age, give that help? The Canada Pension Plan comes too late for them. And from their standpoint, there are two things wrong with the Canada Assistance Plan which will soon be placed before parliament.

First, it will require each person to take a needs test before receiving assistance. This process will be costly and slow—and the needy aged can least afford to wait for help. Also, many Canadians of the older generation regard any kind of searching means test as humiliating, and may forgo help rather than submit to it.

The *Star*, like the *Telegram*, goes on in its editorial to urge the government and parliament to make a study of this matter and take action on the recommendation of the Senate committee on aging, which was basically a guaranteed annual income. I think we are approaching that situation and will come to a guaranteed annual income in this country. I believe this will be a very fair and efficient way of administering our social security legislation in time to come, but it is not going to help today's generation of old age pensioners. What they need, and what I think all hon. members in the house would like to see them receive, is more immediate help in addition to the proposals of the Canada Assistance Plan.

The Canada Assistance Plan has some good elements. It is good housekeeping from an administrative point of view. But the gap left by the failure to provide immediate help in a basic way to the old age pensioner is too serious to be ignored by members of this house. I am very hopeful that, as has been reported by the press of Canada, the government will change its mind on this subject and bring in at an early date improved old age pension legislation. As it is now, what is happening, as my colleague from Winnipeg North Centre remarked during this debate two or three nights ago, is that the minister is saying to the old people, "We cannot do anything for you under the Canada Pension Plan because that legislation was not designed for you, and we cannot do anything for you under the Old Age Security Act because the Minister of Finance (Mr. Sharp) will not give us the money to raise the pension. Your only recourse is to fall back on social assistance and so we are providing that with the old means test re-introduced."

We in this party, as in the C.C.F. which preceded us, are quite accustomed in fighting for improved social legislation to accepting half a loaf instead of a loaf, and there have been times when we have accepted a slice rather than a half a loaf. But in this particular instance what is being asked of us and the older people in Canada is to accept not half a loaf or even a slice. We are being asked to buy the attractive wrapper that goes around this package, and I believe that many hon. members on both sides of the house do not think this is good enough.

I believe that those persons receiving the old age pension at the present time are probably the last of our Canadian generations left in the valley of scarcity. The rest of us, thanks partly to the work and sacrifices of these older people, are emerging and have emerged into the sunlight of abundance to some degree. I believe that, if for no other reason, this government, parliament and the country should activate themselves more on behalf of improving the standard of living of our senior citizens.

In conclusion, Mr. Speaker, may I say I am very hopeful, from what I have read in the papers and have heard from pretty well all corners of this house in recent days, that the minister will do something in this connection and do it in the very near future.

Mr. Reid Scott (Danforth): Mr. Speaker—

An hon. Member: Filibuster.

Mr. Scott (Danforth): I notice again that when we rise to speak on this side of the house a member of the government shouts "filibuster." We hear this word every so often in this chamber whenever members of the

opposition for one reason or another feel very strongly about a subject and insist, much to the chagrin of the government, upon an adequate examination of it. We heard this word used a year or so ago in the flag debate when my hon. friends in the official opposition felt very keenly on the subject and, at the invitation of the Prime Minister (Mr. Pearson) himself, entered into an extensive debate. But because it did not please the members of the government it was called a filibuster.

Again today, and for the past few days, every time a member of the opposition rises, no matter what party he speaks for, to discuss the Canada Assistance Plan and more particularly the matter of the old age pensioners of this country the cry of "filibuster" is raised. Personally I do not really care whether the Liberals want to call this debate a filibuster. In this party, and I am sure in the other parties, we make no apology whatsoever for taking up the time of the house to discuss this matter. So far as I am concerned this is one of the most important matters that we could be discussing.

I am sure the minister himself was rather worried that this legislation would slip through quickly, because when he brought it in it was accompanied by the usual press agency fanfare and clever public relations that accompanies most of the government's legislation. I am sure the minister was afraid that this legislation would slip through very quickly before the country had a chance to examine it and see just what its ramifications were.

Those of us who are raising this matter are doing so because we have received hundreds and hundreds and hundreds of requests from old age pensioners who write the most pathetic letters, literally pleading almost on their knees, for something to be done to relieve the conditions and circumstances in which they find themselves. We are not going to let this measure pass quickly without using it as a vehicle to place on the record the plight of these people and as an opportunity to make clear the cynical and callous attitude that many members on the government side are taking in this area. I am not suggesting that all members on the government side are adopting this attitude, but it is strange that what we hear behind the curtains never appears on the record and that many members who tell us of their desire to take positive action in this field are, with one or two exceptions, very quiet when the opportunity occurs to make their views known in public. As the hon. member for York South (Mr. Lewis) said, this whole approach to old age pensions is not an isolated one on the part of this government. It is a typical approach, it seems to me, in handling various pieces of legislation.

The attitude of the government is always: Let us do the bare minimum that we can get away with. Let us never under any circumstances take a subject and treat it adequately and completely. I think, for example, of the field of higher education and even the small gesture of scholarships and bursaries. I think of the election promises of various Liberal candidates of 10,000 scholarships of $1,000 each year. That was the bare minimum. Others went further and talked about bursaries and aid to higher education. A measure was proposed which, although it was recognized as partly beneficial, was the worst kind of aid that could be given to students. It proposes a $4,000 loan to single students and $8,000 to married students. This represents a tremendously progressive and liberal way of assisting students in obtaining higher education.

• (5:10 p.m.)

For example, let us take the manpower training program which for the past decade has been progressively neglectful. The root of our strike problem is the failure of this government and of some of its predecessors to try to deal adequately with manpower training. Another example is that trade adjustment legislation for which we have pleaded for years. All we got was the usual half measure in the form of the United States auto pact agreement. Another example is housing. In the last few years we have pleaded for an adequate housing program but as usual only half measures were taken.

We can consider almost any area in which this house has acted since the present government took office and all we will find is a psychology of half measures. Never has this government dealt adequately with any measure.

It seems to me that this attitude is being repeated here. As I said at the beginning, we intend to discuss this measure as long as we please. If you want to call it a filibuster you can call it so, but so far as I am concerned I make no apologies for it.

As has already been stated, Mr. Speaker, there are some measures in this bill with which all the opposition parties are in agreement. It is not necessary to repeat them to emphasize those features in the bill which

we consider to be an improvement. The government needs no help from us in heaping mountains of praise on itself. The minister and his followers are more than capable in that department.

Our main opposition at this time is twofold. First of all, we have argued that the government is wrong and almost inhumane in its refusal to institute an increase in old age pensions to $100 a month payable at the age of 65. Second, we have maintained and will continue to maintain that the institution of a means test is a retrograde step. I know the soothsayers have changed it to what is called a needs test, but it seems to me that in some ways the needs test is even worse. If it is applied with discretion in a fairly affluent community by skilled social workers, then perhaps it is all right. However, I would enter a caveat and take objection even to this. A needs test means an individual investigation of all the old age pensioners and this, it seems to me, is a retrograde step of the worst kind. I hope the minister will have second thoughts as we proceed with the discussion of this bill in the committee stage and that he will not take this step.

Generations of politicians in Canada, long before I entered this chamber, fought a battle to remove the means test. It was not an easy one.

They were faced with all the time-worn slogans that we have heard from members of the Liberal party in this debate. They were told about all the rich people who did not need the pension and about the hundreds of thousands of old age pensioners who did not need an increase in their pensions. However, over the decades, hon. members in the opposition fought with various governments and finally in 1952 a statute was passed removing the means test requirement on old age pensions. That was a good move. It took place a decade before my election. I am ashamed of being in a chamber in which a proposal is made to apply a means test again because this will do more hurt and humiliate the pensioners than any other possible step we could take.

We have argued that pensions must be raised and that no means test should be attached to them. As I said, Mr. Speaker, various members of the Liberal government—and I emphasize the word "Liberal" —have repeatedly told us that hundreds of thousands of pensioners do not need this money and that it is better spent on those in need. Out of curiosity I placed question No. 1743 on the order paper in which I asked for information regarding the breakdown of incomes of Canadians aged 70 and over. I know this information is based on the 1961 census and that the gathering of the information is imperfect. However, I was astonished to find out that there were 433,365 people over 70 with incomes of $1,000 or less. They do not need a means or needs test of any kind. Obviously nobody can live decently on an income of $1,000 a year. The figures I received showed that there were over 158,000 living on less than $1,900. That means that 80 per cent of Canadian taxpayers over 70 years of age are living on incomes of less than $1,900.

Statements have been made by the other side during the debate about all the people over 70 who have incomes of $10,000 a year or more. The return, Mr. Speaker, shows that 1.1 per cent or 8,200 of the people over 70 have incomes of over $10,000 per year, so the suggestions made by the government do not stand up to analysis.

Mr. Knowles: Most of them are in the Senate anyway.

Mr. Scott (Danforth): As my colleague points out, most of those over 70 getting over $10,000 are probably in the Senate anyway.

We do not need a complicated means or needs test to ascertain whether old age pensioners require money. Obviously facts which are known to us prove they do. The hon. member for Halifax (Mr. McCleave) in his contribution to the debate quoted other figures which I had intended to place on the record but will not repeat. They made it abundantly clear that the vast majority of our old age pensioners are living under circumstances of virtual poverty.

What is so annoying about this measure is that in the face of the undisputed and documented knowledge of the conditions of our pensioners, the only solution that the progessive, new left, Liberal government has to offer is a social assistance program based on a means test. We will be awaiting with great interest the contribution of the minister when he rises to speak to see why and under what circumstances he justifies this requirement. Our objection is and will continue to be in regard to the institution of the means test.

I wish to come back at this time to what I said at the resolution stage. There have been rumours that the government will take into account the so-called Croll report, the Senate

study on aging. I wish it would. I do not agree with everything in it but I consider it to be a genuine attempt to assess the problems of old people as indivduals, not as an group. It is an attempt to understand what is really involved in being old in this country.

• (5:20 p.m.)

Recommendation No. 2 on page 17 of their report reads as follows:

> Any suggestion that these older people, when the $75 pension is not sufficient, should be expected to depend for supplementation on public assistance after a needs test is utterly unacceptable.

I emphasize the words, "utterly unacceptable". I continue the quotation:

> Public assistance should, of course, be available to them, as to others in the population, to meet residual needs and to deal with special circumstances, but it is the committee's conviction that main reliance for meeting their ordinary requirements should be on benefits to which they are entitled as a matter of right and that the proportion of older people requiring needs-tested supplementation should be very small at all times.

This is the end of the quotation. It is a very nice bit of grammar and reads well. What it makes clear is that we do not need a means test in Canada in connection with old age assistance. Mention is made in the report of some problems the committee could not solve. There were some recommendations they did not feel they could make. However, one recommendation upon which the committee was clear was that we do not want and do not need a means test for old age pensions in Canada. Yet what have you lifted from the report, if this is where you got it? You have put into your legislation the one thing this exhaustive study said we did not want, the means test. With the best intention in the world, the means test could mean nothing but humiliation for old age pensioners. I am going to read a few of their letters before I sit down.

The one thing that the Croll report emphasizes again and again is the need for older people to have their income as of right. This is something for which they have worked and is something to which they are automatically entitled. It allows people their self-respect and their self-esteem. In many ways this is just as important to them as the actual amount of money itself. With one blow you are going to take this away or at least you are going to try to do so. It is going to take a lot of arguments to convince us that there is justification for this move. It is significant that the voices on the government side that have been raised in support of this measure have been few and have been rarely heard.

[Mr. Scott (Danforth).]

I believe this is because in Ottawa we are perhaps removed from the people a bit. We do not look upon groups in our community as anything but distant groups. The old age pensioners, while there are 1,000,000 or 1,200,000 of them, are scattered all over the place. They do not have anybody to speak for them. They have no pressure lobbies like agriculture, the unions, industrial people or those who want tariff protection. We look upon them, therefore, as a group on the periphery of our society. We think of them almost in statistical terms.

The only objection we have heard in the house in so far as old age pensioners are concerned is that it costs too much to help these people. There is a new word being used, "priorities", and they are low on the order of priorities. All kinds of things are elevated above the human needs of these people. I suspect this results from the fact that when you get into these ivory towers in Ottawa you tend automatically to lose touch with many of the people you represent. I believe that is what has happened to the Liberal party over the years. You are the people with the managerial expertise and you think in terms of the cash register rather than in terms of the human need involved. This attitude may not even be restricted to hon. members opposite.

It seems to me one of the reasons for the fed-up attitude toward parties and politicians today is the general feeling the people have that we have lost touch with them and that in Ottawa we have governments and perhaps parties that are losing touch with the realities of the country. This is part of the malaise which I think is building up in the country because people like you, with the authority, the power and the right to reach out and touch these people, refuse to act.

If the government even at this late date wished to retreat from its intransigent attitude and take a step that would establish them as a government that cares about the people, I suggest they could epitomize that by increasing the old age pension to $100 per month without the imposition of a means test. We in the opposition would like to do so but the rules prohibit us from so doing. We have used every legitimate means at our disposal to present this point of view. We are powerless. All we can do is plead. You are the people who have the power and the authority to act. Specifically, this power to act rests with the Minister of National Health and Welfare (Mr. MacEachen). He is the man to

whom Canadians must look for leadership. We will not get it from the Minister of Finance (Mr. Sharp). His sharp thinking has already ruled out this action because it does not fit in with his cash register mentality and that of the majority of the members of cabinet. I see the Postmaster General (Mr. Côté) laughing. I suggest to him that this is no laughing matter which we are trying to discuss.

Mr. Côté (Longueuil): You will not make an impression on the minister.

Mr. Scott (Danforth): I would not even presume to attempt to move the minister in this field. The government has made it clear over the past several days, as have hon. members opposite, that so far as they are concerned they will not relent on this point. The only hope we have left is to appeal to the minister himself to give some leadership in this field.

As I was saying, we tend to forget the pensioners. We forget who they are and what they are. The Croll report puts it in understandable language. I should like to quote from page 6 where we find Senator Croll's introduction:

> Senior citizens are not some indefinable group, separate and apart. They are our mothers and our fathers. They are ourselves in a few years. They are those who have made contributions to society and to our country. They are those who have given their energies, their skills and their children for the good of society. What the senior citizen needs is to retain his earned right in his own world.

It seems to me that this is the type of sentiment from which we are departing in this legislation. We say that, notwithstanding the fact that there are good features in the bill which have been outlined already. When we were discussing the resolution I had a few words to say on my own behalf and that of my party and I tried to point out that I, along with many members who have had to spend a lot of time with old age pensioners, I presume, am ashamed of the way in which we have handled their problems. The Croll report indicates that over 60 per cent of our pensioners live in urban centres. This trend will continue over the years. Before long the vast majority will live in our cities.

Merely to hand out more money to these people, badly as they need it and desperate as they are for income, is not going to solve their problems. Until we are prepared to deal with old age pensioners as a part of the community and not an isolated group that gets a handout every once in a while or that we mention in the house from time to time, we are never going to solve their problems. Until we are prepared to deal with them as part of the community we will never solve the dilemma of the old age pensioners. Their problems are the same as most of the problems of the people we represent. They need decent housing at a price or rental they can afford to pay, but we do not give it to them.

• (5:30 p.m.)

There is an apartment project to house old age pensioners in the constituency which for the moment at least I represent. The tragedy is that the old age pensioners cannot get into it if they receive only the old age pension because the income requirement is too high. Instead they have to live in attic rooms for which they pay $32 a month out their $75, which leaves them with less than a dollar a day to live on and to provide everything they need. I could fill 100 such buildings tomorrow if they were available. We have been asking ever since this government took office for a real housing program for our old age pensioners but nothing has been done. We do not even have a housing program in this country.

Until we deal with the problem of price control for these people, handing them more money, while all right for the moment, is no solution because prices are going up and up and next year the increase will be wiped out. So we are back where we started, with the old fight about the amount.

Until we bring in a genuine medicare scheme to help these people we are not dealing with their problems adequately. Until we begin to think of the old age pensioner as part of the community, as being a person who does not want to be shoved on the sidelines but who wants to feel he is part of life and has a useful part to play and role to perform, with a proper place in the community as a whole, we will never get at the problem of the old age pensioner.

That is why, Mr. Speaker, we discuss this question at length. We know that the government is not going to do anything about it. At least, I think I know they are not, though I would have great respect for the government if they were to provide tomorrow as a minimum gesture an increase in the pension at least to the $100 figure. But let none of us think that by doing this we will really be going very much for these people. They will not live high on the hog on $100 a month.

I do not want to read into the record all of these social agencies reports, which are

stacked almost a mile high and have come in from all over Canada, pointing out the very basic minimum upon which people can be expected to exist. One of these reports was featured in an article in the Toronto *Star* on October 20, 1965, and was headlined: "Aged Pensioner Says She'll Probably Never Eat Steak Again". The article gives a monthly budget of $126.47 for a man and $118.83 for a woman. It is a very generous budget, I must say.

For example, $31.62 is allotted to food and $41.44 to housing. I defy anyone who comes from an urban area—I am not familiar with the country districts—to show me adequate, decent housing in our cities for $41.44 a month. The budget also allows $6.81 for clothing, $3.29 for home furnishings, $2.17 for transportation in metro, and if the pensioner wants to take a trip 62 cents a month is allocated to transportation outside of metro. These are magnificent and generous figures and are suggested as the minimum on which these people can be expected to exist.

I do not want to have to read into the record, though we may do so as the debate continues, reports from one of the senior citizens committees outlining the plight of these people and their need for better treatment. The really pathetic aspect of the problem of the old age pensioners is the letters received from them in which they tell you what they think and how they feel. I have one here in which a woman comments on the proposed needs or means test, and she says that it would be a very humiliating experience to have to go through. She says that many who really need help would have too much pride and self-respect to apply, and that is true. This refrain runs through all the mail.

What the government seems to fail to understand is that the older people have a great sense of pride and self-respect and that they will be most reluctant to apply for a means test wherein they would have to subject their affairs to examination, no matter how delicately, graciously and sincerely it is done. I am not saying that the people who do apply will be unnecessarily shy, but a good proportion of them are too proud to apply in the first place. They want to live their lives in dignity and independence, and some will not be prepared to apply. One person went so far as to say that she would even give up her niggardly $75 a month rather than submit to a means test.

[Mr. Scott (Danforth).]

Therefore, Mr. Speaker, we have been pleading with the minister for some days now to reconsider the position and to give the lead which we hope he is capable of giving. Even at this late date when the debate has gone for several days we hope that he will announce that the Liberal party has decided to become a liberal party on this point and that it is not going to return to the retrograde position it has taken in regard to a means test.

I have read the debates over the years in which members fought for the need for its removal. No doubt the removal of the means test which the Liberal party is imposing will be an issue in another election. And let the record be clear that it is the Liberal party that is doing this over the objections of a united opposition. I do not say that they do not have the right to do this. But there have not been to many issues in this parliament on which the opposition has been united and I would have thought, coming as we do from constituencies all over Canada and speaking as we do for more Canadians than are represented in the ranks of the government, that some consideration would have been given to the views of the members of the opposition in this regard.

After all, Mr. Speaker, it is no longer a question of finding the money for these pensioners. That cat was let out of the bag the other day at the hearings of the committee. It is now quite clear that there is enough surplus in the fund to pay the increase, so the government does not even have the money argument any more. The funds are there, the need is there, and all that is required is the decision of the minister and his colleagues to institute this very needed reform.

I wish that we on this side of the house possessed either the logic or the eloquence to move the minister in this regard. I hope he will yet change his mind, will announce that the house will be permitted to vote on the attractive features of the bill, to which we all subscribe and give our support, and that ancillary and supplementary legislation will be brought down—we are prepared to sit here until it is—to increase the basic pension to $100 a month without a means test and to make it available to all old age pensioners over 65.

This, Mr. Speaker, in no way kills the present bill. It in no way takes away from the bill the areas for which there is support. But it would provide an excellent opportunity for this house to do something to benefit not

just the old age pensioners. A move in this direction would indicate that we in Ottawa are in touch with the needs, the hopes and the aspirations of all Canadians. We want to take a new approach and to bring about actions in this house that show we care about people rather than about money.

• (5:40 p.m.)

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I have been pleased to note the many expressions of support for the Canada Assistance Plan that have been given by hon. members, including those of the opposition. There are exceptions of course, but it would indeed be difficult for any reasonable person not to support a measure which so obviously brings about needed and significant changes in public welfare legislation.

I have been somewhat concerned, however, with the efforts being made to minimize the importance of this bill. The hon. member for Perth (Mr. Monteith), for example, has stated that this is purely a tidying-up operation and that there is nothing really new in it. It is true that the legislation does represent in a sense a tidying-up operation since it makes it possible to incorporate the provisions of a variety of federal and provincial programs into one act, and to form the basis for the development of a single, integrated and comprehensive assistance program. In doing so it makes it possible for assistance to be provided under one program for all persons who require it regardless of the particular conditions that have led to their need for such help.

We have come a long way from the days of the English poor law when welfare in parts of Canada was characterized by meagre assistance—the less the better—the placement of indigents in alms-houses, county homes or poor farms, strict residence regulations, grudging acceptance of responsibility for keeping the needy, and an almost total lack of understanding of the causes and effects of poverty. It took time, changes in public attitudes and enlightened leadership to change this approach. It also took federal funds and programs for special groups, developed often in collaboration with the provinces, to improve assistance measures. First came pensions for the aged and then attention to special groups like the blind and disabled and veterans. Statutory payments such as old age security and family allowances, social insurance measures such as unemployment insurance and, most recently, the Canada Pension Plan, have also been developed over the years.

Some ten years ago the Unemployment Assistance Act was passed, through which the federal government shared with the provinces and municipalities in the cost of general assistance to the unemployed. This represented a major step forward in providing assistance to the needy and led logically to the Canada Assistance Plan we are studying today.

It is generally recognized now that we have reached the point in Canada where assistance should be based on the fact of need rather than on the cause of need, and that there is no longer justification for setting up special programs to meet the particular needs of various disadvantaged groups. The Canada Assistance Plan provides the basis for a simpler and more efficient means of helping people. At the same time its provisions are sufficiently flexible that special help can be given to persons on the basis of their actual need. Thus it will still be possible to take into account differences between individuals and between various groups of people whose needs vary according to where they live or what are the precipitating causes of their need.

This approach may be characterized as a tidying-up operation, but it is obvious that it introduces a new and important concept, that of basing the amount and type of assistance on actual need and adapting the approach to meet the individual's circumstances.

But the Canada Assistance Plan goes well beyond this because it recognizes that the mere provision of financial assistance in itself is not sufficient. It directs attention to the causes and effects of poverty and provides for measures that will assist people to regain to the fullest possible extent their capacity for self-support. This is not necessarily a new concept, but its recognition in federal legislation and the support given to it is of the greatest significance and will undoubtedly lead to far-reaching developments in the whole field of public welfare. To this extent the Canada Assistance Plan represents an important milestone in the history of public welfare in Canada.

The emphasis the plan gives to preventive and rehabilitative services is in recognition of the fact that for many persons the circumstances that led to their need for assistance could have been and may still be changed to the point where assistance is no longer required. They may suffer from ill health or

physical disability, in which case medical or physical rehabilitation services are indicated to remove or overcome the limiting condition. It may be lack of skills or training that prevents the individual from securing or retaining employment. This calls for assessment, appropriate training and job placement. It may be family troubles for which skilled counselling and perhaps homemakers' services may be indicated. It may be lack of motivation or loss of the will to work, often a result of prolonged unemployment. Here programs designed to prepare and motivate such persons to take advantage of rehabilitation and training services or other programs designed to keep them in normal employment may be required.

My point is, Mr. Speaker, that the need for financial assistance must in many instances be seen as a result or symptom of problems that can and must be dealt with systematically, effectively and, above all, sympathetically. Dependency is debilitating and often self-perpetuating and, as we all know, tends to be passed on to the children of assistance recipients. From this point of view the provision of financial assistance becomes just one element in the process of helping people rather than, as is often the case at present, the only element. It is a tool to be used when required but used in conjunction with other means of helping the individual to maintain himself and his dependants and then to go on to achieve the maximum degree of self-support of which he is capable.

The Canada Assistance Plan is, then, designed to shift the focus of welfare from relief to prevention and rehabilitation by encouraging, with additional federal funds, development of the wide variety of services which are directed to the achievement of self-support and self-care. Some of these services, of course, now exist in governmental and voluntary agencies and should be more fully utilized.

Federal funds will also help welfare departments and voluntary agencies to engage the additional administrative, professional, clerical and secretarial staff required to extend and improve their administrative procedures and their welfare services.

This social rehabilitation approach is given effect in a number of ways in the Canada Assistance Plan. It appears first in the definition of assistance. While recognizing that basic requirements such as food, shelter, clothing, fuel, utilities, household supplies and personal requirements must be provided,

[Mr. Groos.]

it goes on to list other elements that should be taken into account. Contributions will be made for health care services, for example. While most provinces have developed various measures through which public assistance recipients now receive health care services, it is fair to say that in no province have they been comprehensive while in some they have been very limited.

• (5:50 p.m.)

The scope of the Canada Assistance Plan in relation to health care services for needy persons is very broad. For example, it may include medical and surgical services, nursing, dental and optical care, including dentures and eye-glasses, drugs and prosthetic appliances. the additional funds to be provided by the federal government will make it possible for the provinces to develop and extend health care services beyond the present levels and thereby eliminate some of the exclusions which are now characteristic of many of the programs in the provinces, exclusions which have often caused hardship to individuals.

The definition of assistance also includes welfare services. A useful example of the type of service that may be provided is that of homemaker services. The situation often arises where a mother is removed from her home, perhaps for hospitalization, leaving a husband and children to cope as best they can in her absence. If there are no relatives or close friends to care for the children, the father has the option of staying home from work to look after them or neglecting them in order to retain his job or having them placed by child welfare authorities in foster homes or child welfare institutions. The family can be kept together, however, and the mother's peace of mind and eventual recovery enhanced, by bringing in a homemaker who, in fact, takes the place of the mother during her absence. The father is enabled to keep his job with assurance that his family is being looked after, the mother's recovery is hastened because she is assured that her children are being cared for, and the family is held together.

Let me turn now to the definition of welfare services that appears on page 4 of the bill. Welfare services are defined as services having as their object the lessening or removal of causes and effects of poverty, child neglect or dependence on public assistance. Farther down the page hon. members will note that welfare services can be provided to persons in need or persons who are likely to

become persons in need unless welfare services are provided. We are not content, as this definition makes clear, to wait until the problems that the individual or family face become so acute that they are forced to turn to the public authority for financial assistance. Where counselling, homemaker services, referral to appropriate community services and the like are indicated, these can be provided and the will and capacity of the individual can be sustained and strengthened with a view to maintaining his all-important self-dependence.

It has been pointed out by some hon. members that much greater attention needs to be given to the number and quality of staff in the field of welfare. I want to emphasize the fact that tremendous strides have been made in recent years in improving the quality of training for personnel in this field. Emphasis is given in their training to the importance of administering public welfare programs in ways which enhance and protect the rights, self-respect, dignity and independence of people. We have come a long way from the days of the depression when so many people did, in fact, suffer from the attitudes of welfare authorities whose main objective appeared to be to discourage them in every possible way from asking for help when they were unable, because of lack of employment opportunities, to provide for themselves. It is this concern, I believe, which has prompted many people to reject the idea of a needs test, and if that attitude were still in effect I also would be among those who would seek for alternative ways of helping people. But times have changed and attitudes have changed. We recognize the right of people to expect courteous and considerate attention when, usually for reasons beyond their control, they find themselves in need of help.

The Canada Assistance Plan, under the definition of welfare services, makes provision for sharing in the costs of staff training and development and thereby acknowledges in a tangible way the need to provide for adequate numbers of properly qualified people who can administer the programs in ways that will enhance the dignity and self-respect of persons who have every right to expect to be treated in this manner.

Some hon. Members: Hear, hear.

Mr. Groos: The hon. member for Portage-Neepawa (Mr. Enns), himself a professional social worker, has eloquently drawn our attention to the importance of professional training for social work and has urged the importance of a determined program for social work recruitment and education. He has said that in the absence of well-qualified personnel, the availability of additional funds and ancillary personnel will create immediate confusion and may end in damage to the families concerned. I know he will be reassured to see evidence in the plan that funds will be made available to support staff training and development.

I understand that through the Department of National Health and Welfare, provincial departments of welfare, schools of social work, and various voluntary organizations across Canada, determined efforts are being made to extend and improve various necessary educational and training programs for the field of social welfare. It is acknowledged that the Canada Assistance Plan will provide a powerful incentive to these efforts. Given the staff and the resources for which the Canada Assistance Plan makes provision, we can be assured that the social rehabilitation emphasis of the plan will become a reality and that people who at various times now find themselves dependent on public funds may be given every opportunity to achieve the goal of self-support to which we all subscribe.

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

Mr. MacEachen: Perhaps I can assist the Chair at this point by suggesting that some thought has been given to whether the house might not rise for the dinner hour until seven o'clock. If that is agreeable, we might do so then.

Mr. Knowles: There have been such discussions and I think we are all agreed. We would even be prepared to agree that the house should rise between six o'clock and seven each night this week.

The Chairman: Does the house agree that the sitting be suspended until seven o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Pursuant to provisional standing order 39A, it is my duty to inform the house that the questions to be raised at the time of adjournment tonight are

as follows: the hon. member for Danforth (Mr. Scott), Finance—housing loans by banks at N.H.A. interest rates; the hon. member for Waterloo South (Mr. Saltsman), Public Service—immigration staff association communication respecting morale; the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), Canadian flag—inquiry as to prosecution for desecration.

In accordance with the agreement reached, this sitting stands suspended until seven o'clock.

At 6.02 p.m. the sitting of the house was suspended.

AFTER RECESS

The house resumed a 7.00 p.m.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, the previous speaker in this debate pointed out many of the attributes of the Canada Assistance Plan and reasons why members should give it their strong and forthright support. I take no great objection to the arguments he advanced, but it seems passing strange to me that the Liberal party which has always held itself out as the party which has endeavoured to do more for the unfortunate of this country should completely ignore and bypass a report prepared by a special committee of the Senate which recommended so much more for this group of citizens, who face real problems because of financial difficulties into which they have been placed by this government.

While I have said that Liberals always hold themselves out as the champions of the downtrodden I must also say that in the field of hospital insurance they managed to accumulate a great deal of mileage because they talked about it from 1919 onwards. Yet it was not until 1957, when the party to which I belong was in power, that it was put into effect. In regard to welfare assistance the

Liberal party is trailing far behind the other parties in the House of Commons today.

The members of the opposition parties have indicated their willingness to give to the older citizens of this nation that which most Canadians believe they should have, a pension of at least $100 a month. There are some who appear to be somewhat concerned about the fact that we did not recess last week end. Generally speaking I am sure that members of parliament went up in the estimation of a great many Canadians because of their willingness to stay here in an endeavour to convince the government that a minimum old age security pension of at least $100 a month is a must. I feel certain that a great many members sitting on the back benches on the government side are as pleased as punch that we are still here today debating this matter, with the hope that the government will move forward with a program to provide this minimum pension for all citizens 65 years of age and over without a means test. I do not think I need say more on that aspect of the situation.

The leader of our party today performed a job which leaves the remainder of members in our party in a position of having only to agree with his sentiments. He spoke for every member of the official opposition, if not for the members of all opposition parties, as well as for a number of members sitting on the Liberal side of this house. I am sure many of them are dissatisfied with the arrogant attitude adopted by the cabinet ministers in this regard.

• (7:10 p.m.)

It is my intention this evening to deal with a subject which is not quite as broad as old age assistance and which involves fewer people. The amount of money involved is infinitesimal when compared with the amount that has been paid to date in social welfare and in old age assistance. I refer to the disabled persons allowance. It is my hope that I can convince the minister that the Canada Assistance Plan as constituted will do more harm than good to a great many people who today live in degradation and poverty because the government will not make a move in the right direction. I feel this is particularly upsetting, because there are not enough people in this classification to command the kind of attention that the old age pensioners receive, because of their much greater numbers.

I was very pleased to see during the last election campaign that our leader, when outlining the policies which our party would endorse if elected to office, made an unequivocal promise that we would eliminate the means test in so far as the disabled persons allowance and the blind persons allowance were concerned. This meant that any individual who found himself in the unfortunate position of being either blind or disabled would as of right receive $75 a month during the period that he qualified for such allowance, and indeed in most instances for the rest of his life.

I believe there is only one fair way to indicate the great problem that people face when making application for the disabled persons allowance, and that is by reading into the record some of the correspondence that a member has with constituents and cabinet ministers, both federal and provincial. I should first of all like to read a letter written to me by the Minister of National Health and Welfare (Mr. MacEachen) on May 25. I had pointed out to him that a certain individual had doctors' reports indicating a significant degree of disability. This man was unemployable and found himself in the position wherein he could qualify for the disabled persons allowance. The minister replied in this way:

> As you know, although the federal government shares in the cost of disabled persons allowances, this program is administered by the province which determines eligibility and the rate of payment. After consulting with my departmental officials, I understand that—

—the individual concerned—

> —could not meet the definition of total and permanent disability set out in the legislation and the requirement that the applicant be unable to perform activities of normal living, such as feeding, dressing and personal hygiene. It is evident from the medical report that Mr.—

—again referring to this individual—

> —condition is controlled by medication and that he is able to undertake activities of daily living.

In other words, Mr. Speaker, if you are alive, if you are breathing, if you are able to move, you cannot qualify for this allowance. That is what the minister is telling me. I say that this kind of legislation has no place in the statute books of this nation. When we reach the point that if you move, you cannot get any assistance, then it is a mighty funny kind of welfare program we are endorsing in this House of Commons today. We talk about assistance. This is the most shocking, degrading type of position in which to put any human being that I could possibly imagine.

This is the situation faced by people in this nation who apply for disabled persons allowance. Let me read another letter that I think does a tremendous job of pointing out just how bad this act is, as it stands at the moment. Hon. members opposite talk about the Canada Assistance Plan and what it is going to do for these people. It will do absolutely nothing to improve the situation. As the hon. member for Perth (Mr. Monteith) pointed out, the government just introduces a new act and says, "Isn't this a wonderful thing?"

Mr. MacEachen: Mr. Speaker, I wonder whether my hon. friend would tell me if he is aware that the provisions of the Canada Assistance Plan will remove the necessity for meeting the medical test of total and permanent disability; that under the provisions of this plan his grievance, which I think is a justifiable one, will be removed.

Mr. Coates: Mr. Speaker, the provisions of the plan proposed today do not meet the situation to which I am referring in the slightest degree. They do not meet it for a number of reasons. The main one is that a person has to pass a needs test in order to qualify for assistance. It does not make any difference whether you are laid out on a bed, incapable of movement; you still have to qualify. It does not make any difference who puts up the money to keep you alive; the government says that you have to pass the test, and if you cannot pass it you will not receive assistance. Let me read what was written about another gentleman. He was known to me for many years. I do not mind putting his name on the record because he is not longer with us. He came to me in August, 1965 and said he had made application for the disabled persons allowance and had been turned down. I received a letter from the Minister of Public Welfare of Nova Scotia informing me that this man applied for the allowance and in September, 1964, was first turned down. I had a great deal of correspondence on this subject and on February 17, 1966, received this letter from his wife:

> This is to thank you for your efforts on my husband's behalf re the disability pension. Unfortunately, the day I received word that he would get his cheque in February was the day of his operation and as he never regained consciousness he never knew he finally qualified.
>
> If Blair had received even three or four of these cheques he would have been able to spend these months, at least, feeling a small measure of security which would have lessened his worries to some extent.

This situation must occur in a great many cases, as I know of a similar one myself. Surely, there must be a way to eliminate a lot of the red tape so that if one is really disabled he could receive help at least within three months after the application has been filed. Perhaps an adjustment can be made so that others may be helped quicker.

I know your letter played a big part in helping Blair get the pension. It was just too bad it took them so long to realize his urgent need. Many thanks for doing what you could for him when he asked for your assistance.

That is an example of the kind of degradation that this legislation, and any legislation that demands a needs test, puts people through. Are we being good Canadians when we ask our fellow citizens to subject themselves to this sort of thing for years and years in order to receive a pittance that is really not enough to survive on, and is only enough to slowly die on; because $75 a month does not really maintain anybody in health and happiness, it just allows one to survive for a certain number of years.

• (7:20 p.m.)

What else do we do when we put this requirement of a means test on a disabled person's allowance? In effect we say to this person: "You have worked for a great many years and probably you have made some savings. When you have spent your savings on obtaining the medical attention you require, come up to us and we will investigate how you have spent the $3,000 or $4,000 you had saved. We will then give you $75 on which we know you cannot exist." This is what the needs test does to Canadians.

We then hear someone else saying to us: There is nothing wrong in asking people to subject themselves to a needs or a means test; there is a different philosophy in the world today than there was 20 years ago. Apparently, according to some speakers, there is less dignity in the world today. There is only less dignity in the world when you push people down and will not let them up.

If you adopt the attitude which was taken by the Senate committee on aging, you will not subject these people to such a degradation but you will recognize the fact that dignity and pride are necessary to every individual. You will endeavour to maintain these qualities and you will not try to destroy them. In effect we do destroy them when we demand a means or a needs test. Both these tests mean the same thing to every individual who has applied for one of these social assistance schemes.

[Mr. Coates.]

If the Minister of National Health and Welfare (Mr. MacEachen) is anxious to put forward far-reaching legislation which will maintain the pride and dignity which we desire for all individuals in this nation, he will eliminate the needs or means test from the Canada Assistance Plan and put into effect the system which the Senate committee on aging has recommended. This will eliminate the necessity, to which many Canadians are subjected, of going to the office or home of a member of parliament, of a member of the legislative assembly or of a county councillor and asking him to intercede, in the hope of obtaining some kind of financial assistance which will enable him to survive. If we continue to demand that a means test be made a requirement, we will not move very far ahead of the legislation for the relief for the poor that was so common in the thirties. We will not be progressing and we will continue to subject Canadians to the same humiliations which they have had to suffer in order to get the sustenance of life.

We have to change our philosophy in this respect. The sad thing about this is that I think most hon. members, both on the government side and in the opposition, believe that a change should be brought about. The administration, however, has not yet arrived at this conclusion. The best indication of that is their stubbornness—there is no better word for it—in not bringing forward an increase in the old age security which would be acceptable to every Canadian everywhere. I think any hon. member could go into the street and ask any individual he meets whether he is in favour of immediately increasing old age security by $25 a month, and whether he be a 10 year old boy or an 80 year old man, the reply would be "Yes, we are in agreement".

This measure should have been taken a long time ago because I think that is the way all Canadians think. If the cabinet ministers went back to their constituencies and talked to their supporters a little more often, they would discover that that is the way the average Canadian thinks. The sooner the government eliminates it stubborn attitude in this regard, the sooner the business of this nation will move forward.

I believe members of this parliament have put up with this stubborn arrogance long enough and they will not continue to fool around any longer. We want that increase and we will stay here until we get it. I am all in favour of staying as long as is necessary to get it.

Mr. David Orlikow (Winnipeg North): I wish to say at the start that, like other members of the party which I represent, I am in support of this bill. However, I want to make it clear, Mr. Speaker, that I disagree with the hon. member for Victoria (Mr. Groos) who spoke late this afternoon, and I cannot help but believe that we will not have reached the millennium in Canada after this bill is passed and brought into operation. I believe that it will provide services which are long overdue in a number of areas. It is only after this bill is put into operation and after some of the needs for which this bill will provide have been implemented that we will begin to realize how much more remains to be done before we have instituted in this country a really comprehensive social security system about which so many people have talked for many years.

This afternoon I read the speech made by the Minister of National Health and Welfare (Mr. MacEachen) in introducing this bill. In studying it paragraph by paragraph I realized again that after this bill is implemented we will still be very far from accomplishing the aims which the government has set out for itself in this bill. I will say again that it is my intention to support it and I will list the fields in which the minister has indicated financial assistance will be provided.

They are: people covered by the old age assistance program; people receiving blindness allowances; people receiving disabled persons allowances; needy mothers with dependent children; people receiving assistance in general; people who now receive assistance under the Unemployment Assistance Act; and children in the care of welfare authorities.

This is a good Bill as far as it goes, but it seems to me that when this bill is implemented we will find that we will provide most assistance to people in these categories who reside in the provinces which now have the best programs, that is to say Ontario, Alberta and British Columbia. What we are proposing to do in this bill, Mr. Speaker, is no more and no less than help the provinces share the cost. There is no provision in this bill to help the people in the provinces in which public assistance programs have been, and still are, almost totally inadequate. The people in New Brunswick or in the rural areas of my own province of Manitoba are not getting the assistance they should get. If the rates which have been set are inadequate, or if the staff to service their needs is inadequate, as they are, then there are no provisions in this bill which will help.

• (7:30 p.m.)

I am not thinking of a rural area at the moment, Mr. Speaker, I am thinking of a village which happens to be in the constituency of my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) in which there is no trained staff, in which the decision as to who gets assistance and how much, is made by members of the local village council. They are estimable people, Mr. Speaker, but they have no qualifications and no training at all. In addition, they are people who, as a result of good health and good fortune have, as our young people would say, got it made themselves. They look down on these people requesting assistance. I have been told by social workers as I am sure the hon. member for Winnipeg North Centre has, that the council looks down upon these people and they are tough with them.

A person really has to crawl on his belly in that village before he can get assistance. There are no provisions in this bill which will help these people at all. I am not going to go into details. The hon. member for York South (Mr. Lewis) said much better than I could this afternoon that what we need is a national standard. I say again that it is not my intention to vote against this bill. I wonder if the minister has really given any thought to whether the federal government should be giving financial assistance to provinces and municipalities where the standard of assistance given to people who are in need is not adequate? It seems to me it would be a good idea if the federal government, in implementing this program, were to say to the provinces and let the provinces say to the municipalities: There is the Canada Assistance Plan; there is money available from the federal government, but that money is only available if the assistance which you give is sufficient to permit the people who are getting assistance to live with some dignity.

I do not hold any brief for the Manitoba government. Hon. members know it is a Conservative government and that it has a smaller majority this week than it had last week. But the Manitoba government has one of the most constructive programs of any province in Canada for the assistance of the Indian and Metis people who are not living on reserves and who therefore do not come under the jurisdiction of the federal government. However, I have seen how many of

these people live. The way in which they exist is a disgrace to any country as wealthy as this one. I question very much whether the federal government should pay one red cent to Manitoba or any other province for that kind of assistance, until the standard of assistance given is such as would permit these people or any other people who require assistance, to live in some kind of decency.

It so happens that today I received an answer to a question I put on the order paper a month or more ago. It relates to the kind of housing in which the Indians in Canada live, as compared to the rest of the population. Let me just call attention to certain facts. Of the 4,617,000 households in Canada, excluding the Yukon and Northwest Territories and the households of Indians living on reserves, 4,600,000 have electricity. When you come to consider the Indians you find that only 12,773 households out of about 60,000 in Canada have electricity. If you look at the problem of running water, you find that of the 4.5 million homes in Canada, 4 million have running water. If you look at the situation with regard to Indians you find that less than 10 per cent of the Indian households have running water, and less than 5 per cent of Indian homes have indoor baths. This is a situation which exists for the descendants of the original inhabitants of this country. I suggest that not only is there nothing in this program to help these people, but there should not be a nickel paid to the provinces until the provinces devise programs which will set standards somewhere close to the standards enjoyed by the rest of the population.

According to the minister, Mr. Speaker, there will be a real effort made to get municipalities to improve the standards of assistance which they now provide. Upon what does the minister base that statement? The fact is that the provinces have not, until now, devised such programs. The fact is that the provinces, in nearly every case, have left assistance to the local governments. This government will be giving a certain amount to the provinces, but the municipalities will administer these programs. This is fine for the urban areas. This may be fine in cities which have full-time welfare departments and which have at least partly trained and qualified staffs to do this job. However, this bill will mean virtually nothing to the people who need assistance and who live in the rural areas of this country, where the kind of program which is required has not even been thought about, let alone instituted.

[Mr. Orlikow.]

The minister talks about how much better a needs test is than a means test. I am not being critical of the minister when I say this looks and sounds good, but I can tell him that I have had considerably more experience with this question of the needs test as compared to the means test than the minister has. One of the first things which the Conservative government of Manitoba did when it came to power in 1958 was to enact a law called the social allowances act. What Mr. Roblin was proudest of was the fact that in the province of Manitoba, as a result of the social allowances act, the people of Manitoba in 1959 in effect wiped out the means test, substituting for it the magic phrase which years later the Liberal party has come up with—as it does with so many things—namely the needs test.

• (7:40 p.m.)

I have news for the minister. I would challenge him or his officials to come to Manitoba, where I will be glad to be their guide. After all, there is only one Liberal member from the province of Manitoba. I will take the minister to visit 10 or 20 people who now receive assistance under the social allowances act of Manitoba, which has been in effect since 1959. I will let the minister and his officials ask these people to explain, not the difference in theory or in fine print, but the difference in actual fact between living under the needs test, which has been in existence in Manitoba since 1959, and the means test which existed before then. If the minister does not wish to come with me he could go with the provincial minister of welfare of the province of Manitoba; but I am certain that nine out of 10 of the people the minister or his officials would meet, who receive assistance under the social allowances act and who undergo a needs test instead of a means test, would be unable to explain the difference between the two.

I do not oppose a needs test, though I do not think it is much better than a means test; but when you strip away all the fine language and theory I would suggest to the minister that the people do not know the difference because there really is not any difference. I suggest that most people would consider the two tests exactly the same.

While this bill will mean improvements in the categories listed by the minister, some of which I have already mentioned, it completely ignores two of the major requirements of people who are in need, particularly the older people. It completely ignores the fact that we

in Canada—and we all ought to hang our heads in shame for this—have done, I was going to say virtually nothing, but this would be too kind. We have done nothing by way of providing housing for those in need, particularly housing for people who are retired and are now receiving the old age pension.

It is true that in most cities in Canada one can find a few housing projects for people of this type. A month or so ago I was present at the official opening of a very fine housing project in my constituency built under the auspices of the United Church of Canada, named—I am not being critical here—the Fred Douglas Home. Fred Douglas was a leading figure in the United Church in Winnipeg and was also a candidate for the Liberal party during the last two elections in the constituency of Winnipeg South Centre. This project is a very fine one, Mr. Speaker; but if you were to count the units in the city of Winnipeg built under the auspices of the United Church and the Roman Catholic Church, the Lions club, the Kiwanis and the Canadian Legion—and perhaps there are other organizations which have participated which I have not listed—the available units would number merely several hundred, certainly less than a thousand.

When one compares this with the needs of the elderly people who are on low incomes or on pensions in Winnipeg, Toronto, Montreal or any other city in Canada, it is apparent that this bill or anything which has been proposed by the government will be of little assistance.

We know from experience that unless this housing problem is solved, no matter how the pension is increased—and I will come to this later—what you are saying to the landlords who rent single rooms to the elderly people of this country, which are very often miserable, shabby and inadequate, is that any increase of $10 or $15 a month is an official notification that now is the time to raise the rents. This is what happens, and the old people have to pay these increased rents because they have nowhere else to go.

There is one other matter of tremendous importance, and this is the need of our elderly people to meet in one way or another their health requirements. In the province of Manitoba there is a provincial medicare program. I am not going to say that this program is of no use at all. Several thousand people have their bills paid by this program, and it is voluntary. Under this voluntary program several very serious shortcomings have already become apparent.

First of all, thousands of old people, who could have their medical expenses paid by the provincial medicare plan, do not. This is because having already had to pass through one means test—described as a needs test in Manitoba, though there is really no difference, as I said—in order to receive their pension, they simply refuse to go through what they consider, and what I agree to be, the humiliating experience of another interview with some government official, baring all their problems, expenses and financial resources.

I think in particular of a woman in Winnipeg who was born in the province of Manitoba, has lived in the province all her life and is now 83 years of age. She has no income except the old age pension of $75 a month. When I was talking to her recently she told me that she had to pay her premiums to the Manitoba medical service. I told her she was certainly entitled to have her medical insurance paid by the province under its medicare program. But she told me—and I can understand how she felt—that she suffered one means test in order to get her pension when she was less than 70 years old, and that she had no intention of going through another. So with a total income of $75 a month she pays several dollars a month to cover her medical insurance costs. There is nothing in this program which provides for that type of contingency.

We have a situation in the province of Manitoba where it is possible under the voluntary medicare program—and perhaps on the occasion when we debate the medicare legislation I will bring actual cases to the attention of the house—for a person getting the old age pension of $75 a month to apply for coverage under the provincial medicare plan, and to be turned down on the basis that his or her income is such that he or she is not entitled to assistance from the province.

• (7:50 p.m.)

This is the kind of program, Mr. Speaker, which under the Canada Assistance Plan it is proposed to subsidize. We are proposing to the provinces that even though they have an inadequate program in any of the categories mentioned, we will pay 50 per cent of the cost. I think that, not only does this not meet the needs of the people who are in need, but it is wrong in principle, as every other hon. member has said during this debate.

The problem ought to be one that sets national standards—minimum standards at least—and which says to the provinces: The

federal government will pay 50 per cent of the cost, provided the provincial programs meet the minimum standards.

I am not suggesting that the standards be the same in all provinces. I am not suggesting that the provinces cannot give more assistance than is envisaged in the program, and I am not suggesting that the federal government in that case will say: We will not pay. I say that the federal government must set standards, just as it will set standards, I hope, in the months to come with respect to the implementation of medicare.

Were the federal government to say to the provinces: "We are prepared to share in the cost of a medical insurance plan for the payment of doctors and other health needs, provided the provincial plan meets certain requirements, namely that it is universal in character, that it is administered by a public agency, that it is portable from province to province," I see no reason why such program should not be adopted, and why such principles and standards should not be set for the provinces.

I want now to deal with a matter that has already been dealt with. I know it shall be repeating what has been said by many speakers, but I want to deal with the specific problem of those who are now receiving old age pensions or old age assistance. I am referring to those people who will never be able to get the extra income that will be available to people who are working, and who will be able to qualify under the provisions of the Canada Pension Plan for certain benefits.

It has been said by members on the government side of the house, by members of the press, by radio and television commentators, that we in this group are filibustering; that we are holding up other hon. members. Well, Mr. Speaker, I was away for several days and am not certain what others have said about this subject. I have no objection to being labelled a participant in a filibuster. I am only sorry for one thing in this debate: I am sorry that the rules of the house prevent our conducting a real filibuster.

I am not different from other hon. members. I have not been able to spend much time in my home city since coming here in 1962. I, in common with other hon. members, was looking forward to spending most of the summer in my home town, in this case Winnipeg. Nevertheless, if I thought that by keeping this house in session all summer we would get an extra $25 a month, which I think is the minimum additional amount that every person receiving an old age assistance or old age pension should get, I should be very happy to stay here for the rest of the summer.

In a country with the great wealth, tremendous resources and small population that we have, for the government to say that the country cannot afford to give every person now receiving old age pension or old age assistance $100 a month, I think is disgraceful. We are all to blame for that, and we all ought to be ashamed of that.

An organization in the city of Winnipeg which works with elderly people, known as the Age and Opportunity Bureau, has estimated the minimum cost of living in that city. I know that other hon. members have referred to this question as it relates to the cities of Vancouver, Toronto and Montreal. I am concerned with all people across Canada, of course, but I am primarily concerned with the city of Winnipeg, because I represent that city.

The organization in question has estimated—and this was done more than six months ago, and I do not need to tell the Minister of National Health and Welfare that the cost of living has risen very substantially in the last six months—that a single retired person needs a minimum of $111.75 a month to live. I want to tell the minister, in case he does not know, that on such a sum people will not live high off the hog. Here is how the budget is broken down—and I quote from the Winnipeg *Tribune* of January 25, 1966:

> Food, $35.45; clothing $6.45; personal incidentals, $2.29; household supplies, $1.63; electricity, $2.02; housing, $35; reading material, $1.73; religion, $1.08; recreation, $2.09; transportation $3; entertaining, $1.28, personal allowance, $2.87; replacements, 80 cents; telephone, $3.41; health $12.65.

Let us look at these figures. I wonder how many members of parliament or other people in Canada would like to live on a food budget of $35.45 a month.

Mr. Scott (Danforth): It would be all right if you did not eat.

Mr. Orlikow: It would be all right if you did not eat. It might do some of us good to try it for one month.

Mr. Knowles: Speak for yourself.

Mr. Orlikow: I am speaking for myself, but certainly not for the hon. member for Winnipeg North Centre in this respect.

Do you want to know how people can live with a food budget of $35.45 a month? This is what is stated in the *Tribune* article:

> Only the cheapest cuts of meat are on the food list. The highest-priced roast is 59 cents a pound.

You could spend a whole day going from supermarket to supermarket in Winnipeg or Ottawa to find any roast selling at 59 cents a pound. Continuing the quotation:

> A total of $1.19 a week is allowed for meat, fish and liver. For vegetables, fruits and juices, $2.06 a week is allowed.
>
> Food is recognized as the most flexible item for a person living on a low budget, as compared to housing, for example which is a fixed cost.

Out of a budget of $111.75 a month a person has to spend $35 for housing. I should like the Minister of National Health and Welfare to come to Winnipeg for a couple of days. I shall be glad to take him around the city to show him the kind of accommodation he could get for $35 a month. We certainly would be ashamed to have anybody we know or related to us living under such conditions.

The minimum amount required, then, is $111.75 per month. That is why members of the house from all parties on this side, as well as many members from the other side would like to see, under the provisions of this bill, an immediate increase in the old age pension to $100 a month, and the age at which that is payable to be immediately brought down to age 65. I have heard comments to this effect during this debate, as well as during the session before the election, and during the election campaign. I have heard the argument put forward by the Prime Minister (Mr. Pearson), by the former minister of national health and welfare, by the present Minister of National Health and Welfare (Mr. MacEachen) and by other members of the government that, after all, people would be able to get more than $100 under the provisions of this bill if they needed it. The amount mentioned depended on the city in which the statement was made. If it were in one of the big cities it was $125 or $150; if it was made in one of the smaller cities it was $105.

• (8:00 p.m.)

There have been many stories, I do not know who inspired them, that the minister would get up and make a statement, when he was given an opportunity to speak, about increased pensions. Anyone would think that members have been breaking their necks to prevent the minister from making this important speech which would solve the problems of the needy. We have read stories about an announcement to be made by the minister that an extra $30 a month would be available for everybody. Even if this were true it would be a lot less than the $125 the Prime Minister talked about from one end of Canada to the other.

Even if it were true, as I say, it would only, I am told, be true provided the people who are in need agreed to submit themselves to the indignity of a needs test. I am not opposed to some kind of examination, some kind of test, some filling out of a form for supplementary needs. I suppose in our time there will always be some kind of examination in respect of what might be considered luxuries. But I am opposed, and I will always be opposed, to any program by which the older people of this country who have made their contributions in the years during which they worked would have to submit to any kind of test, whether it is called a means test or whether we gild the lily and call it a needs test, before they can get the basic necessities they require.

I have a good deal of respect for the Minister of National Health and Welfare. He comes from a region which is one of the have-not areas of this country. Looking through the parliamentary guide I notice that he himself came from a family which had known want in the early days. Surely he does not need any more convincing that the older people of this country will not be living very affluently if they are given a minimum of $100 a month. Surely all the evidence of every interested organization, whether it be the age and opportunity bureau to which I referred earlier, or the Montreal Welfare Council or the Senate sub-committee on aging, points to the conclusion that the payments now being provided for our old people are insufficient and that they ought to be raised, and raised immediately.

I wish to close by adding my words to the words of so many members of this house from every party, including the Conservative party, who have urged the minister to reconsider his adamant position that the present pension of $75 a month shall not be increased except on the basis of a needs test. I hope the minister will announce when he speaks, whenever that may be, that the government has reconsidered and that the legislation will be amended to provide that the pension shall be increased immediately to $100 a month at the age of 65.

[*Translation*]

Mr. J. P. Goyer (Dollard): Mr. Speaker, nobody will be surprised when I say, like the previous speakers, that I am in favour of the resolution under study. They indicated, however, that they would vote for the resolution, but they spent their time stressing its omissions. I feel personally that it is a good piece of legislation and surely the best on which we shall be called upon to vote.

To hear members of the opposition, the federal treasury is like some manna or an inexhaustible treasure able to meet any requirements and aspirations. But if these members stood by their principles, they would say at the same time how much the measures they propose would cost and what tax increases they would entail for the people. If they were really honest, I think it would be easier for me to appreciate their position.

But it is obviously a good thing to make promises and support popular measures but, on the other hand, the cost involved to implement them is being overlooked and the truth is hidden from the people.

Older people have been mentioned mostly since we started studying this bill. Another measure that needs to be revised has been forgotten, the one concerning family allowances. In the last 13 years, expenses for old age pensions have increased by 150 per cent, whereas, during the same period expenses for family allowances have only increased by 50 per cent.

• (8:10 p.m.)

This means that while speaking, reminiscences of the last election campaign crop up. While emphasis is laid on assistance to the old people in Canada, the fact that there are still needy families in Canada is totally overlooked; there are parents who have to raise their children with the bare necessities of life. While old age pensions have increased 150 per cent and family allowance by 50 per cent, that fact overlooked perhaps intentionally, and the house is carrying on with what I call electioneering.

Much has been said since the beginning of the session about war on poverty, but when a bill is introduced for the purpose of helping the needy, and only the needy, efforts are made to extend such help to middle class people or those who have the minimum required to meet their obligations.

[Mr. Orlikow.]

The New Democratic Party seems to be hanging on to socialism that was sound in the thirties in objecting to a needs test related to income in the social field. It is being recognized that gradually socialist parties all over the world are giving more and more support to assistance to the needy and are moving away from universal plans and when the New Democratic Party which, apparently, is the socialist party in Canada, steers clear of this 1966 socialist policy, I am surprised, because I thought these people were much more aware of the world trends of socialism. The sums of money made available to the needy and earmarked for the operation of social measures in Canada are getting larger and larger. Of course, when only $20 was being given to the old people, it was not sound business practice to have means and needs tests; it would have been much too expensive with regard to the money being given. But as far as the present bill is concerned, there are sound administrative reasons to justify an investigation of the income related needs, because the sums of money we are voting today for social assistance have become so large that it is economical for a government to investigate, in order to have more money available for the needy and to have money which, otherwise, would go to people who do not need it.

Exactly the same policy is being applied in retraining. The Minister of Manpower (Mr. Marchand) has brought down a retraining program under which a worker who is unemployed and who refuses to make an effort to adapt himself to modern methods will get a minimum basic amount, whereas one who is willing to try to become reinstated in the labour market and an asset to the economy of the country is entitled to more which is necessarily an incentive to fit himself for present-day requirements. Consequently, in such a definite field as labour, we have legislation which is not uniform and provides not only for the individual but also for his wishes and for the situation in which he is living. It is only an extension of this political thinking into the social field to support an investigation of the income related needs.

This afternoon, the hon. member for York South (Mr. Lewis) stated that an inquiry similar to the income tax statement, for instance, should be preferred, where, in order to get a higher pension, one would simply have to fill out a form along the lines of the income tax statement. The member for York South is surely aware that the Minister of

National Revenue (Mr. Benson) is empowered to investigate the statements an individual makes to the income tax. And more and more, the income tax—

Mr. Lewis: It is only to make sure that it is honest.

Mr. Goyer: I am sorry but I did not get it.

Mr. Lewis: It is only to make sure that it is honest.

Mr. Goyer: To make sure that it is honest. I am not saying that those who would ask for more money as people in need are dishonest. I would not like the hon. member for York South to get me going on that subject but I only wish to tell him that he could have carried his idea to the end and said that we could have an investigation system to establish if the individual has made an accurate statement. And the hon. member for York South also said that it is odious. Is it odious as far as income tax is concerned? I do not think so. Would it also be odious to make an investigation about the income of a person who applies for assistance? I do not think so either and when the hon. member for York South spoke on behalf of his party—I think that is what he was doing—and said that the administration of the plan should not be turned over to the provinces because the per capita income was not the same, the way of life varied from one province to another—and he is right about that—and that therefore the central government should standardize the assistance, I think he was overlooking the constitution. To say only that in Canada we get too deeply involved in constitutional measures is to disregard the whole matter which is now in the air about the Canadian constitution. And it is to disregard the main lieutenant of the N.D.P. in the province of Quebec who claims loudly the respect of the N.D.P for provincial autonomy.

Mr. Lewis: That is right.

Mr. Goyer: When we hear about a policy in parliament and about another one during an election campaign, we are shocked and have good reason to be.

Mr. Lewis: It is the same policy.

Mr. Goyer: And I think that in taking into account constitutional requirements, in proposing that this plan be administered by the provinces, the federal government shows a constitutional realism which does it credit, all the more since as far as efficiency is concerned it is better that this plan be administered by the provinces because the provincial governments are nearer to the people and know better the needs of the people and the individuals. And if we are afraid of provincial governments, we must tell ourselves that they are neither more nor less virtuous than the federal government or the municipal governments.

Mr. Lewis: That is true.

Mr. Goyer: We must necessarily have faith in the other levels of government which know the needs of the population and which can therefore better assume their responsibilities. That is why I think that the government is introducing here its best piece of legislation. To be content to criticize it, to run it down, is not a very progressive attitude. Therefore, I think that one should rather see it as a good measure that can be further improved later.

• (8:20 p.m.)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I presume this debate is coming to an end. I think the Minister of National Health and Welfare (Mr. MacEachen), unlike many of his backbench supporters, knows that a filibuster is not taking place and none is likely to take place.

Some hon. Members: Oh, oh.

Mr. Peters: Those hon. members on the back benches opposite have not been here very long and are not very smart. If they thought it was a filibuster they should know I would be standing up moving an amendment, whereby all hon. members could speak again in the debate. But I am not prepared to do that because I am not sure it would be supported.

The government should be more aware of the fact that the measure before us is an important one, not because of what it contains but because of what is omitted from it.

There are very few benefits provided by this legislation which are not already in one way or another being provided by provincial governments. This proposal will bring together many pieces of social legislation which have been enacted by the federal government and will provide enabling legislation for provincial governments, through which they can assist people in fields now participated in by provincial governments.

As stated by the last speaker, the Liberal party has been very backward in bringing forward legislation with strings attached, making it necessary for provincial governments to provide certain minimum programs before they are acceptable. That is an argument I have listened to with some interest because it has been advanced on many occasions, and has provided something for the Liberal party to hide behind. The Liberal government, in so far as social welfare legislation is concerned, has been a conservative government with a small "c". It has never stepped forward farther than it could step back at the same time. In fact it has often been said that this government has taken two steps backward for every one forward.

Let us consider what was said in this house when the family allowance program was originally introduced. Children in all parts of the country were supposed to be provided with an amount of money sufficient to cover the costs of the basic necessities of life. No suggestion was made at that time that one level of assistance would be provided in one province and another level in another. This type of assistance was to be provided on a universal level in all provinces.

I agree entirely with the hon. member for Winnipeg North (Mr. Orlikow) who said a few minutes ago that in respect of this kind of legislation the government should provide substantive measures allowing all provinces in Canada to take advantage of the federal lead and provide minimum standards throughout the country. It is a shame that people living in the province of Quebec are forced to exist as second-class citizens because of our social welfare legislation. I am sure that in each province in Canada some citizens are second-class because of certain legislative measures. People who live in one province should be in the same position as those who live in others, so far at least as social welfare is concerned.

Obviously it is because of a lack of foresight that this government particularly has been prohibited from adopting certain types of welfare legislation which would set minimum standards for all provinces. I have known our present Minister of National Health and Welfare (Mr. MacEachen) for some time, and I have known something about his background, education and attitude. I have gained this knowledge through talking to him, listening and reading his speeches. He is one of the brighter young members of the Liberal party. Because of the obvious inadequacies of this Canada Assistance Plan the responsibility for it should remain with some of the minister's colleagues. I am sure the minister asked for a great deal more on behalf of the old pensioners of this country than is being provided by this measure. If that is not true, I am sure he is out of character in presenting and supporting this bill.

Let me indicate my support for what was said by the hon. member for Comox-Alberni (Mr. Barnett) when he suggested that the responsibility for this bill must rest with the Minister of Finance (Mr. Sharp). Unfortunately, very often when members of parliament discuss legislation placed before them they do so in terms of what it does not provide. There are very few who will disagree with me when I suggest that the terms of the Canada Assistance Plan are such that a large number of people in this country will suffer. Many people have been told for a long period of time that the Canada Assistance Plan would be the Prime Minister's answer to his promise made in Timiskaming to provide $125 per month for those older citizens who are needy. The Prime Minister (Mr. Pearson) may have intended to raise old age assistance from $75 to $125 per month, but of course, as we all know, he is a slow starter. This is the same Liberal government which said a few years ago that a $6 per month increase in old age pensions would bankrupt this country. This is the same government that said because people demanded a $10 per month increase to old age pensions they should get it, whether it would bankrupt the country or not. Apparently this increase has had little effect on the financial resources of Canada.

It makes little difference that the test has been changed from a means test to a needs test. What the old age pensioners of this country need is an increase now. These people need more to live in relative decency, and they need more at this time and not three or four months from now. The Minister of Finance is the individual who has really set the pattern of the Liberal party's approach to old age pensions. Walter Harris started that pattern years ago when he was minister of finance, and it has been followed by successive ministers of finance.

It is interesting to note that the present Minister of National Health and Welfare said that an increase of $25 per month in old age pensions payable at age 65 would cost in the neighbourhood of $800 million. I am not

convinced of that fact; but using the minister's figure one must conclude that our present program is costing us in the neighbourhood of two and a half billion per year, or about one third of our national income. That being the case I am surprised that the Prime Minister would even consider it possible to pay $15 per month. Such a program would cost us in the neighbourhood of $1,600,000,000 in addition to what will be required by this measure.

Surely it is time to stop members of parliament from making speeches such as the one made this afternoon. It was obvious that this speech was written by the officials who now sit in the gallery, and read by the hon. member. Let me suggest that those officials have little understanding of either economics or the needs of people. Certainly they do not have an understanding of those needs and the means of meeting them under our present economic structure. The speech made by the hon. member was very nice, but I felt I should have used the provisions of a standing order to question his right to read it. The thinking displayed by that hon. member is the type engaged in by members of this government. It believes that the establishment is always right, and that if those officials in the gallery say something is true it must be true. The government repeats those truths as gospel. It talks about $85 million being placed into the Canada assistance fund, and how wonderful this is going to be for the one million people who will be assisted in one form or another. If it does, it will amount to $85 a year for each of these one million persons, $7.83 a month or 23 cents a day, provided the provinces decide to pay their 23 cents a day. In other words, the federal government will not be contributing a quart of milk to most of the persons to whom they say they are giving this great deal of assistance. Twenty-three cents a day will constitute an improvement, but there are people in this country who write to their members of parliament—and I am sure the minister receives as many letters as the rest of us—pointing out some of the limitations of the legislation operating in the various provinces. I think the minister would agree with me that it is time we achieved some uniformity in this type of legislation and should be spending a lot more than 23 cents a day on a program for those in need.

• (8:30 p.m.)

The previous speaker mentioned provincial rights, but there are other rights. We are talking about the Canada Assistance Plan and the bringing together of all forms of assistance whereby we can assure that assistance is provided to those persons in need, if the province wishes to put the program into effect. Ontario has done very little in this field. I refer to the Disabled Persons Act, the mothers allowance, unemployment assistance, children's welfare and assistance, and so on. In each of these cases we leave the final decision not only to the welfare people, but worse, to the small municipalities in communities across the nation. I have often had occasion to speak with clerks of municipalities. In the case of a person obviously not capable of looking after himself or herself, a person who is in need and has a problem that could be met by receiving assistance in one form or another, I am told, "Yes, we agree that this assistance should be granted; but Mrs. Jones is no damned good. She is living part time with somebody else, and we won't give her any welfare."

The fact that she should be assisted for other reasons does not make any difference. The fact that her children are the same as other children who may be in more favourable circumstances morally, but that her children are in less favourable circumstances financially, does not make any difference. I am pleased that in my area there is a large, unorganized block of townships in which assistance is administered by the provincial welfare people and I am quite happy to have as our welfare district administrator a relative of a member of this house. The assistance granted under provincial welfare schemes by qualified people differs radically and is certainly much more humanely administered than the assistance being provided in many instances by municipal councils, who are still going by the old adage that was true some time ago and is becoming less true, that work is good and no work is no good, and if a person is not working, no matter what his reason, he is obviously no good and should not be supported by municipal funds, even if most of the money comes from provincial or federal government sources.

Although this measure is not very satisfactory, in that it does not contain anything for the old age pensioners of this nation, I would be very remiss if I voted against it. The things in this measure are worth while. Certainly, like most Liberal legislation, this measure will be amended in a couple of years because it has not been very well thought out. But there is really nothing new in the

legislation and there is nothing radical about any of the proposals being made. The old age pensioner in this country has not been given any increase, except by those provinces which have had election campaigns recently. I will be interested to know what the minister has to say about the situation in Prince Edward Island, where the old age pensioner had been promised a $25 increase in pension immediately after the election. I wonder whether provincial elections will decide whether an old age pensioner should receive needed assistance.

I am sure that any province of Canada would be stupid to go into an election without promising an increase in the old age pension, but is it not a very odd situation for the federal government to allow the provincial governments to do what we should be doing for the old age pensioners, to decide when it should be done, when federal government money is involved? I believe this is a poor reflection on the responsibilities and powers granted to the federal government many years ago in respect to this kind of legislation. This responsibility and these powers have not been questioned in the field of old age pensions. We have decided, it appears, to renege in this connection and allow the provincial governments to decide haphazardly whether additional assistance shall be provided.

This is one of the few issues over which I should like to see an election. I make no bones about it. If I had the operation of my party there would be a filibuster and all kinds of motions, including motions to kill the measure if necessary. I would have this kind of filibuster because I believe that if an election were called everybody in the country, and this includes the old age pensioner, would know exactly what the situation was and would be able to vote as his conscience dictated. I would be very happy to leave it at that. This obviously will not be the case. However, the old age pensioner has a right to look to the federal government for protection.

In the budget speech the Minister of Finance (Mr. Sharp) said that he anticipated an increase in the cost of living of 3½ per cent. I think it is ridiculous, in these circumstances, to say to the old age pensioner: Hold the line at $75. Believe me, most of them live entirely on this $75. It is ridiculous to think that these people can live on $75 a month when the cost of living will increase by 3½ per cent. It is not only ridiculous but, yes, it is criminally irresponsible for a government to allow the negotiation of contracts that increase the wage structure by 30 per cent and at the same time say to the old age pensioner: Hold the lid on in this regard, you are doing fine on $75.

We should take the problem of the old age pensioner out of politics and apply an escalator clause to the pension. Most of us thought when passing the Canada Pension Plan that an escalator clause should have been included therein. This is the way in which to handle many of the social problems facing Canada. The minister said that it would cost $800 million to increase the old age pension. It is said we would need $2½ billion to increase the old age pension, coupled with our other expenditures today. If we were to go back to a recession in this country such as we had in the early 1930's, when our total budget was less than $1 billion, we would immediately as politicians commence a downward movement on the old age pension; every time we found we were in difficulty we would affect the pension by moving it downward dollar by dollar. I believe it is not fair that the senior citizens of this country should find themselves pawns in a political game such as we have been playing ever since 1957 with respect to the old age pension.

• (8:40 p.m.)

It has been a case of "After you, Alphonse. Elect me and I will give you another $10." We have seen the Liberal party members promising in various constituencies from $46 to $125. It may be fine to have an election every year, because this is the only way in which old age pensioners can ever get a fair deal. If that is the way it has to be, then I am quite prepared to have an election. However it seems silly to spend 10 million or $15 million when we could sit down and intelligently discuss with the finance minister the minimum amount that should be established for the old age pensioners. He could tell us in a straightforward and honest way how we could introduce an escalation provision into the old age pension legislation to take care of the fluctuations in the cost of living. If the cost of living goes down, then obviously the old age pensioner living on a fixed income may find himself the richest man in the country, and those who work eight or ten hours a day would be earning less than he is. It is a fact that there are many Canadians, and there are probably some hon. members in this house, who have worked for less than $75 back in the thirties, and it is not beyond the realm of possibility that the economy of this country may some some day revert to this situation.

The government has clearly stated that the basis of our social security system is the old age pension scheme. Our disability pensions, our veterans allowance pensions and all other types of pensions are geared to the calculations on which the old age pension scheme is based. For this reason I believe that the federal government is not being fair and honest with the old age pensioners, for whom they promised to provide in their election campaigns. Their speeches were made up of very confused phrases which may have meant anything, and they continue to be confused. I defy any hon. member in the house to say what is the Liberal policy in relation to old age pensions. One hon. member says the government accepts the resolutions of the special Senate committee on aging and that this plan will provide a varying scale, according to the needs of old age pensioners. Others say that this special piece of legislation will provide a fixed income.

I believe the old age pensioner in Canada should be able to look forward to retirement in some comfort, because of the contribution and efforts he has made in the formation of this country. Our moral attitude has changed, since the days of my great grandfather and grandfather, who felt a moral obligation toward their parents. Today this is nearly impossible, because most young people cannot support themselves let alone support their parents. I believe it would be civilized of us to provide, through our tax structure, the necessary minimum for the elderly people of this nation, to provide them with a decent standard of living which they have so well earned. I do not believe we are now doing this. Those who have to live on old age pensions and on fixed incomes, including those who live on the pensions provided by the Canada Assistance Plan as enumerated in the various clauses of this bill, are not able to live with the minimum comforts they require.

A few moments ago the hon. member for Comox-Alberni (Mr. Barnett) said that if he had to retire on $75 a month he would move into the hills, build himself a log cabin and live on bannocks. Most people do not know how to make bannocks or how to build log cabins, and anyway most people would not like to live in the hills. They could just as well be moved out into the snow and allowed to freeze.

We have reached the stage of affluence in our country which would allow us to provide a decent standard of living for these people. I defy hon. members on the government side, who are so opposed to spending a few days in discussing this matter, to stand up and say they represent ridings where there are no people in need. If there are such places, I would like to see them. It is more likely to be true in the riding represented by the hon. member from the west coast who spoke earlier today, where there are more old age pensioners than in other parts of the country because of the temperate climate and other considerations. However, even he will tell you that even living indoors in the rainy weather and sleeping under a lumber pile in good weather costs money.

There are many people in desperate need. I have met many Canadians who have spoken of needs of which most of us probably never think. Some people cannot afford to have their glasses changed to permit them to read or look at television. A few dollars would provide them with this necessity, but unless the Kiwanis or some other organization gives them a donation they are not even able to see what goes on around them.

I will conclude by telling you a story about an old fellow I met in the bush near a little town called Cheminis on the Quebec border in the north end of my riding. I went to see him there, together with a reporter from the Toronto *Telegram*. This old man was living on an old mine site in a shack in which coal was kept. He was sitting on the porch, rocking. I asked him how he was, to which he replied he was not well and had not been well all winter. I asked him why he did not go to a doctor. He said he could not afford it and besides he had no means of transportation for getting to one. I said "Your days must seem long". He said "Yes, they are very long. I am just sitting here, waiting to die. It cannot come too soon to suit me." The reporter from the Toronto *Telegram* interviewed this fellow on several occasions and wrote a series of articles about him. Later on he wrote his obituary. It did not take too long for him to die. The reporter was surprised and shocked to find that any man who had lived a fairly extensive life and had travelled over many parts of our nation should finally end his days sitting on the porch, waiting to die, too sick to worry about getting better and too poor to go to a doctor.

When I hear hon. members in this house saying Canada has the best social security system in the world, then I really feel sorry for underdeveloped countries such as Norway, Sweden, Great Britain and France that are worse off than we are. If they are worse off, then we should all be thinking about

getting rid of a few billion dollars worth of arms and setting up a social security program which will be a credit to the Canadian nation. We have worked hard in this country and we have developed as rapidly as we can in our harsh climate, making the best of our abundant resources. I believe it will be a very sad day when a member of this parliament will rise and say that most of the people whom we are supporting under this legislation will have to go to bed in hunger and poverty in a country which, by the government's own admission, has the best social security legislation in the world. If this is true, then I believe the day has arrived when we should really do something about this situation.

I have known some of the Liberal cabinet ministers and backbenchers when they were sitting in opposition. At that time I found them to be as interested as I am in providing social security for the elderly in this country. I am shocked and disappointed to hear them thumping their desks, when they are not providing anything more for those people for whom they were so sorry when they were in opposition. I think if it were not for the fact that the finance minister has said that all our economy would be geared to the $75 a month for old age pensioners, we would hear the backbenchers in the Liberal party demanding a decent standard of living for the elderly, the disabled, the blind and the widows.

• (8:50 p.m.)

Yes, Mr. Speaker, we would hear demands for much of the legislation to which hon. members have referred in relation to child care, nursery care and kindergarten care. Let us at least look at this piece of legislation we have now, under which we can provide an old age pension of at least $100 without a means test. Let me tell you that anyone who needs that money really does not need to explain why he needs it. All you have to do is go to his home and you will understand why he needs it.

I should like to conclude my remarks by giving one illustration of a family that had to meet a needs test. The gentleman of the family, who was badly crippled, lived on a farm all his life. He was the victim of some disease such as poliomyelitis, or some other disease which hunched him away over. He farmed for many years and received a small disability pension. Finally after 40 years he sold the farm, and put a few dollars in the bank for a little bit of furniture. His pension was cut off and he had to make some repayments to the government.

Finally, this family had $1,200 left in the bank. I went to see them and found they had no food in the house. I asked them why they did not take the $1,200 out of the bank to buy food. The answer I received was that they had been honourable people all their lives; they had worked hard all their lives on a farm which was not particularly good and upon which they had built a nice house. They said they had mortgaged the farm when the children were sick and when they had to go to school. They had worked all their lives to provide themselves with enough money, not to keep them but to bury them in honour. I had never thought about how people who were on welfare paid for a funeral. I know you did not leave them lying around. However, these people wanted to have $1,000 in the bank so that if the woman died first she would get a funeral that would be matched by that of her husband when he died, or vice versa. They had been partners all their lives and they wanted to get the same kind of funeral at the same cost. They wanted to pay for their own funerals with the money for which they had worked all their lives.

Perhaps some people can understand this point of view. I really was not that sympathetic to it. I really thought the welfare people would have allowed them to keep the money, because I could not persuade them to spend the money and go on welfare. I was finally able to convince the welfare people in Ontario to allow these people to go to the funeral parlour and buy a $500 funeral for each one. Then the welfare people would consider this a legitimate expenditure and these people would be able to get enough money to eat. The minister may say, well, there was not any need. I do not know if this situation would meet the needs test or the means test. It certainly indicates to me that any family that had worked hard to provide themselves with decent funerals ought to be allowed to go on welfare. These people really did not have enough money. I think this is the way we should handle welfare. So far as I am concerned this situation indicates the need for establishing the old age pension on a reasonable basis so that people would be enabled to live and die in dignity. Until this is done, I think the rest of the world will look at us and say we have not really accomplished very much during the one hundred years we have been a country.

Hon. J. A. MacLean (Queens): I wish to make a brief intervention in this debate. It is not my intention to make a comprehensive

speech on this matter, although I recognize it as being a very important one. All of us realize that at the moment time is at a premium, and only things of prime importance merit exhaustive study. I do beileve that things of such prime importance as the welfare of Canadians generally and of our older citizens in particular, do merit exhaustive debate if a solution of their plight cannot otherwise be found. It goes without saying, Mr. Speaker, that I concur wholeheartedly with the views expressed by the right hon. Leader of the Opposition (Mr. Diefenbaker) this afternoon with regard to the crying need for a significant increase in the old age pension, without a means test. It is not my intention to review or to buttress this argument because I think all reasonable Canadians recognize this is a valid assertion.

The increase in the cost of living has made it impossible for Canadians to live adequately and with any degree of dignity on $75 per month in the many cases where that is the only income. I believe all Canadians have a right to be able to live in dignity in their declining years. I believe all Canadians who are now 65 or over richly deserve this minimum standard because people who are now 70 years of age were in their forties during the depression years, so that the years which should have been most profitable found them unable to advance their economic position sufficiently to provide for their old age and educate their families.

I want to raise a point with the minister which is of special concern to me. The government of Prince Edward Island has recognized what I believe to be a fact, namely that people who are not benefited by the Canada Pension Plan cannot live decently on $75 a month if that is their only income. The government of Prince Edward Island has already undertaken to pay a supplementary benefit of $25 a month to the recipients of old age security pensions. I have been informed that the government of Prince Edward Island—I stand to be corrected on this—has asked the federal government for a list of recipients of old age security in Prince Edward Island but it was not forthcoming. In any case, the government of Prince Edward Island has found it necessary to establish a system of registration for older citizens so they can become eligible for these supplementary payments.

• (9:00 p.m.)

I cannot credit the fact that the government of a province in this country which asked for this kind of co-operation from the federal government would not find it forthcoming, but I should like the minister to clear up this point. It would be of tremendous administrative benefit to the government and, more important, it would be of advantage to our senior citizens if supplementary payments from provincial sources could be made expeditiously by the federal government furnishing a list of recipients of old age security to the provinces. Before I leave this point I want to say that if the minister has not received this request I would be most grateful if he would co-operate with the government of Prince Edward Island in providing a list, in order to help that province expedite such payments.

I want to turn now to another matter. I do not intend at this stage to refer to the various clauses of this bill, but part V is entitled "Amendments to other acts". I have looked through this part very carefully and I am most disappointed that no amendments to the War Veterans Allowance Act are mentioned. I say this, Mr. Speaker, because there are many cases where war veterans are in receipt of war veterans allowance, and I should like briefly to review the eligibility requirements for veterans to receive war veterans allowance.

From a service point of view, veterans of the Canadian forces are eligible if they served in a theatre of war: or if they are in receipt of a service disability pension or have accepted a commuted pension; or if they served in both world wars and were honourably discharged from the last enlistment in each; or if they served in the United Kingdom during world war I for at least 365 days prior to November 12, 1918, including sailing time between Canada and the United Kingdom.

The theory of the payment of war veterans allowance is that veterans who have done their service are paid war veterans allowance without medical examination at the age of 60 on the presumption—which I think is a good one—that they have been prematurely aged by their service. Therefore, generally speaking they cannot receive both war veterans allowance and old age security at the same time. However, the recipients of war veterans allowance in which I am especially interested are those who receive the maximum allowable under the War Veterans Allowance Act and yet, due to conditions over which they have no control, have extraordinary expenses due to disability, blindness or sickness in

their families, or matters of this kind, and who, in spite of the fact that they are receiving war veterans allowance, are in dire need of additional social security of some sort.

The responsibility for providing this additional security falls either on the municipality or on the provincial governments. But when the municipality, the provincial government, or any welfare organization tries to provide this additional security to the recipient of war veterans allowance in order to make his position in life tolerable, his war veterans allowance is cut down by a similar amount and he is no better off.

It may be argued—and perhaps this is the case—that in the bulk of cases the recipients of war veterans allowance should not be entitled to receive old age security as well. With that I do not argue. But I would argue that there are many cases where under the present ceilings war veterans allowance is not adequate to meet the needs—and I use that word intentionally—of our war veterans. I know of no possible way at the present time in which the provincial government or the municipality concerned can improve the lot of the veteran who is dependant on war veterans allowance. If they give him any assistance his war veterans allowance is reduced by a like amount, because of the fact that these additional payments are reckoned as income.

However, income or revenue which the war veterans allowance recipient may have from other sources is not necessarily calculated as income. As a matter of fact there is a fairly wide range of sources of revenue to the veteran which are not calculated as income.

I should like to quote from a pamphlet produced by the Department of Veterans Affairs and which deals with war veterans allowances. Page 14 refers to exempt income, which is income not calculated in determining whether or not the veteran passes the means test for war veterans allowance.

"Exempt income" means receipts which are not considered when calculating how much allowance may be paid to a recipient. It includes income from the following sources:

(a) Allowances under the Pension Act and certain other laws for the service of attendants, or for the wear and tear of clothing;

(b) An additional allowance under the Pension Act for any dependant child or parent of a veteran;

(c) A pension or grant received in connection with a military decoration;

(d) Any casual earnings;

(e) War service gratuities or re-establishment credits paid under the War Service Grants Act;

[Mr. MacLean (Queens).]

(f) Mother's allowance or relief for dependant children paid by a province or municipality;

(g) Family allowances and youth allowances;

(h) Bank interest or dividends of $50 or less per year;

(i) Compensation for maltreatment while a prisoner of war (for a period of two years following payment thereof, after which it is regarded as "personal property");

(j) Scholarships or bursaries to orphans.

I would suggest most strongly to the minister that this act be amended so that payments under the act in the relatively small number of cases where they might be paid to recipients of war veterans allowance will not be calculated as income. In other words, payments under this act would fall within the definition of exempt income. In cases where war veterans allowance is received by war veterans, but because of a combination of unusual circumstances the war veterans allowance is not adequate to give them a reasonable standard of living, a supplementary payment could be made under this act without that payment being calculated as income, thereby causing the war veterans allowance which is paid to be reduced.

• (9:10 p.m.)

In conclusion, Mr. Speaker, we must consider the problem of giving all Canadians a reasonable standard of living and a reasonable sense of fulfilment which is necessary to a satisfactory life. I think we must recognize that although all humans may be equal in the sight of God, all humans are not in fact equal because some are underprivileged while others are underendowed. The underendowment may be due to hereditary factors or to unpreventable experiences over which there has been no control, which makes it difficult or impossible for those people so afflicted to compete with their fellowmen at a satisfactory level.

The underprivileged are underprivileged perhaps because they have had an unsatisfactory environment, or an unsatisfactory home life as children, inadequate schooling, or perhaps because they have found themselves in a segment of our economy which has not given them opportunities they have needed. I feel that it is without doubt the responsibility of the various levels of government, public minded organizations and public minded citizens collectively and individually to try to do everything in their power to remove the things that cause some Canadians to be underprivileged. I think we have a responsibility to correct the effects of bad environment.

Regardless of how successful we might be in those endeavours of which I have just spoken, there are those who are still underendowed. It is my feeling and my belief that we should also accept their welfare as an obligation, so that the underendowed may still have a reasonable standard of life and partake of the benefit of what we like to think is the privilege of being Canadians.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, on entering the house about an hour ago, the member for Dollard (Mr. Goyer) was speaking. He spoke highly of the blessings of Bill C-207 for the destitute, the unhappy, the poor, the state pensioners, the old, the children of Canada. He stated that this bill would solve every problem, do away definitely with poverty in Canada. A few days ago, some of my colleagues took part in the debate on the motion for second reading of bill C-207. At that time we heard members on the other side of the house tell us, naturally, that we were playing politics, that we thought we were in full electoral campaign and that we lied to the people when elections took place.

Mr. Speaker, I should now like to point out what the present government promised at the time of the last elections with regard to social security, welfare allowances, old age security and other matters. There was nothing the Liberal party did not promise. And now that it is in power, in Ottawa, it dares accuse others of playing politics.

Mr. Speaker, the member for Dollard was praising Bill No. C-207 entitled:

An Act to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare to and in respect of persons in need.

Its preamble is as follows:

Whereas the Parliament of Canada, recognizing that the provision of adequate assistance to and in respect of persons in need and the prevention and removal of the causes of poverty and dependence on public assistance are the concern of all Canadians, is desirous of encouraging the further development and extension of assistance and welfare services programs throughout Canada by sharing more fully with the provinces in the cost thereof.

This implies, Mr. Speaker, that the federal government does nothing by itself and, moreover, that it is ready to share with the provinces. Now the Quebec government, the former as well as the present government, has clearly stated its opinion on the subject of social assistance and social welfare: the province does not want any interference by the federal government. That is quite clear.

The former premier of Quebec, Mr. Lesage has said so; the new premier, Mr. Johnson has repeated it: Ottawa is not wanted in social security programs for the province of Quebec, because they do not want to pay double administration costs, nor double taxation, nor be at the mercy of Ottawa. As I said the other day, let Ottawa mind its own business; Quebec will mind her own.

Mr. Speaker, Bill No. C-207 is a hoax, a lot of words, a lot of statements offering no solution. What, for instance, is being suggested concerning old age pensions? Will we raise the old age pension from $75 to $100 a month, as the official opposition asks? Will we raise it to $125, as the present premier promised in Prince Edward Island during the last election campaign? Will we raise it to $125 a month, as the Minister of National Health and Welfare (Mr. MacEachen) promised in the western provinces, barely a month ago?

What does the bill say, Mr. Speaker? Absolutely nothing. For family allowance, absolutely nothing. As for assistance to needy mothers, to those in want, what amount is suggested? Absolutely nothing. And the government brings forward a 19-page bill to set out its concern for those poor Canadians, for those who suffer hardship. But what action do they plan to take to solve the problem? Absolutely none. Mr. Speaker, we will be accused of politicking here in the House of Commons when we make representations on behalf of the aged.

The hon. member for Dollard said a few moments ago: I support the increase in family allowances; I support the increase in old age security pensions; I support the increase in allowances to needy mothers. Support of what, of what amount, to relieve hardship and poverty in Canada at long last? Absolutely nothing. Those are the people who in the middle of the election campaign call us demagogues. Yes, they say we stir up people's passions. Mr. Speaker, my group, the Ralliement Créditiste, and myself voter for the Conservative amendment for giving $100 per month to the aged in this country. We voted in favour of such a pension. But I would now rather support the idea set out by the Prime Minister (Mr. Pearson) in Prince Edward Island. One hundred dollars a month for a senior citizen in Canada no longer makes sense with the present cost of living. The Prime Minister mentioned $125 per month. Now, we in the Ralliement Créditiste support the Prime Minister when he says $125 per month. But let him grant it now that he is in

office. That is what we want. Where are the elderly people who are not in need? Perhaps the former Prime Minister of Canada, Mr. Louis St-Laurent, who gets $75 per month. Show me a Liberal member on the government side who did not promise an increase in the old age pension in Canada during the last election? My friend, the hon. member for Hull (Mr. Caron) made that a big promise.

Mr. Caron: No, I never promised that. That is false.

Mr. Caouette: I was in Gatineau riding then.

• (9:20 p.m.)

Mr. Caron: Never.

Mr. Caouette: The hon. member for Hull guaranteed the old people in his riding an increase in the old age pension.

Mr. Caron: That is absolutely false: I never said that.

Mr. Caouette: I met some of his close friends, old people who are entitled to the old age pension—

Mr. Caron: They made a mistake.

Mr. Caouette: —to whom the hon. member for Hull had promised that he would strive for an increase in the old age pension.

Mr. Caron: I never said that.

Mr. Caouette: I am convinced, knowing the sense of responsibilities of the hon. member for Hull, that when the time comes to vote for a higher pension, he will raise both hands in favour of the old people in his riding.

Mr. Speaker, we heard a while ago, as I have already said, the hon. member for Dollard tell us that he was in favour of those pensions, those allowances, etc. But when the time came to vote, the member for Dollard voted against them. When the party now in opposition introduced a resolution designed to pay a $100 monthly pension, the member for Dollard voted against it under the pretext that a government defeat was to be avoided. As I said last week, if the government allowed a free vote as the one we had on capital punishment, I wonder who would vote against increasing old age pensions to $100 or $125 per month? Nobody in this house would vote against it. But no, at this very moment, we stick to the party line: whoever does not support the party leaves the party. Let us do this for our old people in Canada, for those who built what we now have, those who left us a heritage. Let us allow a free vote in the house and grant them this $125 monthly pension from the age of 65, because as everybody knows, no jobs are to be found at 65. Nowadays, a man of 45 is unable to find a job. It is impossible for a man of 50 to find employment because he is too old and the young people invade the labour market. Now, should all employers be asked to help those who are being replaced by the newcomers on the labour market? Mr. Speaker, such a solution would settle next to nothing.

The House of Commons, Canada, the Canadian provinces have been hearing about Social Credit since 1932, 1933, 1934, that is, for 33 years, and there are still some people who do not understand anything.

I see some of my hon. friends opposite find that funny, because they go through Quebec saying: "Social Credit is a question of printing money without consideration", just as the hon. member for Montamagny-L'Islet (Mr. Berger) likes to say in some parts of Quebec: "Créditistes want to solve everything with money, money, money". It is funny that the hon. member for Montmagny-L'Islet should be the first to run after money; he is the first to run after it, but he does not think it a problem. You do not find it a problem when you do not have this problem; but for the people, generally speaking, it is a problem, and that is where the solution lies, in the money problem.

The Créditistes never said that money should be printed without consideration, and all the members know it. We said: According to facts, to realities. When there is $1 of production, there should be $1 in circulation, that is a balanced economy. What change—

Mr. Watson: Ah.

Mr. Caouette: I hear the hon. member for Châteauguay-Huntingdon-Laprairie. Where has my hon. friend heard about Social Credit? Where has he studied Social Credit? The same thing applies to my friend from Montmagny-L'Islet; where did he study Social Credit? In his riding, on the north shore, or at sea, as he was the other day when he spoke in the house against Social Credit?

Mr. Speaker, we have had enough of those people who invent all sorts of stories about Créditistes and against the solution we advocate as an alternative to this Bill C-207 that leads nowhere, which does not point out where we are going, which does not show us the way, which settles absolutely nothing because it is based on the decisions of the

provinces. Inasmuch as the province will decide, inasmuch as the province will share, inasmuch as the province will want to share, that is Bill C-207.

Mr. Speaker, our solution is not that. What we want and what we require from the government, from the Minister of Finance (Mr. Sharp), is that they consult the Bank of Canada and especially its department of national statistics in order to get information. What is the gross production of Canada? We are told it amounted to $52 billion last year. What was the overall purchasing power or national income of Canadians for the same period? We are told that it amounted to $41 or $42 billion. There is therefore a difference of about $11 to $12 billion between our production and our earnings in Canada.

Is this purchasing power not enough to give old age pensions of $125 a month to all our senior citizens? Is that not enough to double family allowances? Mr. Speaker, those are the facts. Those are the figures, and there are still persons who expect people not to know chalk from cheese.

Mr. Speaker, we have a solution. We say to the government: Distribute to the Canadian people a national dividend based on the difference between the gross production and the national income of Canadians. Then, we could provide all those pensions without exception and we would not need C-207 to tell us that we do not know where we are going.

Mr. Speaker, the national dividend has made a great many people laugh in the past. Even members of parliament joked about it, but the national dividend is still the solution not only to the problem of social legislation itself, but to avoid for example the increasing number of strikes in Canada. What has the government to offer; what is the government doing in that field? Absolutely nothing. What are the workers demanding: their due and their due is precisely included in the national dividend advocated by Social Creditors. That is why all workers or the great majority of them take an ever increasing active interest in Social Credit proposals.

• (9:30 p.m.)

Mr. Speaker, as I said a while ago, this theory is being expounded in the house since 1935, mainly because of the fact that there has always been a Social Credit representation here in Ottawa except for the 1958-1962 period. In 1962, we came back and demanded and claimed; we got nothing. Sure, we are given a post office, a wharf, an airport terminal, a landing strip, but what are we granted by way of social security? Absolutely nothing. Why? Because the government is in bondage to the financial system, and I am not the one who invented that. One day a prominent and mainly dominant financier, one of the Rothschild Brothers said: "Give me control over a nation's credit and I do not care who makes the laws of that nation".

The Rothschilds practised what they preached at that time. And that is what we heard with our own ears what we read with our own eyes in the *Quadragesimo anno* encyclical of Pius XI, in 1931, 35 years ago already. There are people aged 35, 40 or 50 here in this house who never understood what Pius XI meant when he said: "Those who control money and credit are the masters of our whole lives, and without their permission nobody has the right to breathe".

Without those people's permission we cannot pass legislation in Ottawa; without those people's permission we cannot legislate in Quebec; without the permission of those who control the nation's economic blood stream, no member can assert himself or prove his worth in the House of Commons of Ottawa, on behalf of his nation, of his people, of his country.

Mr. Speaker, it is that control which we are fighting; there are only nine of us and there are 128 on the other side to fight us. There are 96 or 97 in the other corner of the house to fight us but those two groups work hand in glove when it comes to controlling the economic blood of the nation. Those two groups get along very well when it comes to leaving the control to international or national financiers. To go down on bended knees to Washington or New York to borrow, to beg the right to develop our natural resources, those two groups get along very well. But there is only one group which fights with us against that, without going, however, to the heart of the matter; it is the New Democratic Party, the former C.C.F. They are not going quite to the core of monetary question; when they get there, they will be sitting with us here among the Créditistes.

Some hon. Members: Oh, oh.

Mr. Caouette: Mr. Speaker, the proof of what I am saying is so obvious. I understand that when the present Leader of the Opposition (Mr. Diefenbaker) was prime minister of Canada, his government increased the old age pension to $75 per month but that was only three years ago and the cost of living was

practically as high as it is today. Why then did not the Leader of the Opposition introduce legislation to give $100 a month to the old people of Canada? Why?

The battle-cry today is: Grant those $100, otherwise we shall defeat you. Had he granted them at the time, he might not have been defeated, but he refused to do so. If the present Prime Minister were replaced today by the Leader of the Opposition (Mr. Diefenbaker), the present Prime Minister, as leader of the opposition, would be heard telling the prime minister, who was the Leader of the Opposition: $100 per month makes no sense; it is not enough; grant $125 per month.

They try to outbid each other, whereas we should be doing what is absolutely necessary for the old people, the children, the needy mothers of Canada.

What is necessary to live decently? Not to starve decently; indeed not, but to live decently?

I see members of the cabinet here: the Minister of Forestry (Mr. Sauvé) who knows all about it; the Minister of Industry and Defence Production (Mr. Drury); the Minister of National Health and Welfare (Mr. MacEachen); the Minister of National Defence (Mr. Hellyer).

Mr. Hellyer: Thank you, sir.

Mr. Caouette: Mr. Speaker, do these people ask themselves whether Canada can produce enough wheat to feed elderly Canadians, whether it can supply or produce enough shoes and clothing for our old people, our children, our needy mothers, when the stores are full of all kinds of things? The Minister of National Defence knows all this; he knows how the National Defence stores are chockfull of all kinds of things—long johns for a thousand years to come—

Some hon. Members: Oh, oh.

Mr. Caouette: —to clothe Canadians. He knows all that. We are not short of clothes, in Canada.

An hon. Member: Sales of long johns.

Mr. Caouette: Long johns. You can see all sorts of sales organized by the Liberals these days. Especially in the Department of National Defence.

An hon. Member: And liquidations.

[Mr. Caouette.]

Mr. Caouette: Yes, liquidations, surplus sales, season sales, mid season and quarter-season sales and it always ends with long john sales. That is clear. There is all that in the Department of National Defence.

Mr. Speaker, the Minister of National Health and Welfare should use that clothing to help clothe those who need to be clad in our country.

Mr. Speaker, no one, no minister asks himself the question. Even the Minister of Forestry knows that I am right and he fully agrees with me in that respect. Canada can produce anything we need to meet the needs of our older people, our needy mothers, our children. We can produce anything in Canada. But because of financial considerations, we are told: "Holdit; do not distribute," while, on the other hand, economists speak of a break-down in distribution.

To distribute, what do we need? We need purchasing power. Given that power we will at long last get what we need. The other alternative is Bill No. C-207. In that respect, the government will decide to whom to give and not to give, to whom to distribute; the party or government backroom boys will go here and there to find the under-privileged, the poor, provided they are not too clearly tories. Mr. Speaker, I think it is riduculous—

• (9:40 p.m.)

An hon. Member: I do too.

Mr. Caouette: —that the house should be asked to study such bills as No. C-207 which tells us absolutely nothing.

Even the government members are in a spot; they cannot explain this bill, because it provides nothing. We are waiting for the provinces to ask for something and we want to help the provinces.

Let us leave the provinces alone. If, in Canada, nine provinces out of ten want to accept Bill No. C-207, emanating from the federal government, let them do it. We shall not stop them. But the province of Quebec will not accept it. The province of Quebec will have its own social assistance plan. This is what the province of Quebec asks Ottawa: Give us back our sources of income so that we can apply this plan. In Quebec, we have no need for Ottawa to make our decisions. This is what Quebec wants. And this is where it is right. In this way, each of the provinces would be right. Only the other provinces prefer to take part in the federal assistance plan.

Mr. Speaker, let the other provinces decide otherwise, we do not care. Only let the

province of Quebec be respected. We ask nothing from others but respect for our rights, our freedom and our autonomy. This is what we demand.

Mr. Speaker, I have nothing more to say about Bill No. C-207. It is 21 pages long, but contains no constructive or precise measure to fight poverty. As for the co-operation of Quebec, let us wait. Let us see what the Prime Minister of Canada will do with the premier of Quebec before saying what Quebec will get under Bill No. C-207.

I think the new premier of Quebec does not want to be stepped on.

Today, you can no longer say Liberal in Quebec, Liberal in Ottawa. I am convinced the present premier of Quebec will have the rights of the province of Quebec respected.

I see that the hon. member for Lévis (Mr. Guay) is shaking his head; it is because he is afraid for his seat in the next election. There is nothing, apart from that, in which he is interested.

Mr. Guay: Let the hon. member meet me again in my riding, as he did during the last election, because he is the one responsible for my election.

Mr. Caouette: Mr. Speaker, you know very well I can meet the hon. member for Lévis any time, anywhere, any place, in any hall, in front of any gathering. He knows that. He does know it.

Mr. Speaker, I do not intend to speak any longer on this bill; only I am waiting to see what the stand of the government of Quebec will be; after that, we will be able to fight, in full light, for the rights we have and not for those we do not have. Until then, I am still convinced that there should be a way of passing a social piece of legislation in Canada, in agreement with the provinces, so as to make Canada a country where those who are in need get more, receive the best treatment, in brief, enjoy at least security while preserving their freedom.

[*English*]

Mr. Keith Hymmen (Waterloo North): Mr. Speaker, even at this stage in the debate I find it necessary to rise to speak on behalf of one of the most significant pieces of legislation ever presented to this House of Commons. The Canada Assistance Plan, and I say this with all due respect, enters into an area which has been the responsibility of the provinces, the administration of welfare.

Unfortunately in this debate another matter has been introduced which has clouded the issues in this piece of legislation, and has introduced a problem of which we on the government side are very much aware, the question of the inadequacy of pensions as presently provided by the Old Age Assistance Act.

Let me remind members in all parts of the house that it was the Liberal government which introduced the Old Age Assistance Act, and that it was the Liberal government which provided $56 of the $75 now allowed our elderly people. The present Liberal government, including all hon. members on the back benches, are just as much concerned about the senior citizens of this country as are hon. members on the opposite side.

It is very difficult to follow the hon. member for Villeneuve (Mr. Caouette), the leader of the Ralliement Créditiste, whan speaking in this house. I have not spoken too often, but perhaps what I will say now will be much shorter and much more to the point. I abhor the parochialism which is often introduced in the House of Commons by the continued reference to the province of Quebec. I lived in that province and I think I know the aims and the objectives of the French Canadians just as well as, and probably better than many individuals still living there.

We need Quebec, just as much as Quebec needs the rest of the Dominion of Canada. Perhaps my remarks are now not too closely related to the subject matter of the bill now before us, but I feel obliged to make them. I have been the head of a small municipality and I know their problems. At pages 5 and 6 of Bill C-207 municipalities are mentioned. They are of course, the creatures of provinces, and provinces according to the B.N.A. Act, are responsible for welfare. There are widow, children, blind and disabled who need assistance; but because of the lack of funds available provinces, including the affluent province of Ontario, they cannot be provided for adequately. The Dominion of Canada is providing extra assistance up to 50 per cent for these people and many, many others in the way of surgical, medical, obstetrical, dental and nursing services.

• (9:50 p.m.)

I noticed this afternoon that the hon. member for Victoria, British Columbia (Mr. Groos) mentioned homemaker services. I have had something to do with the local Red Cross board that is concerned with the provision of these services in a temporary situation in

order to keep the children in the home. The hon. member for Waterloo South (Mr. Saltsman), who represents an area 12 miles from the area I represent, last week suggested that if the extra assistance were provided for senior citizens we could do away with the Canada Assistance Plan. I deny this because an entirely different situation prevails. The people receiving benefit under the Old Age Assistance Act have been provided with an income and have worked for the pension they receive. They are entitled to extra assistance in their old age.

I noticed that the right hon. Leader of the Opposition (Mr. Diefenbaker) took some exception this afternoon to a suggestion that the official opposition were filibustering in this debate. I believe that members of the Conservative party have every right to state their views, but would point out that in the last election campaign the official advertising of the Conservative party stated that $100 a month would be paid at age 65 and it was changed to $100 a month at age 70.

I feel obliged to speak in support of this bill. I know that the Minister of National Health and Welfare (Mr. MacEachen) was on his feet to speak, but I feel obliged to state my views because I believe this bill will provide much needed assistance in an area entirely separate from people who are recipients of the old age pension and will provide not only $100 a month but $125 a month, and with the assistance of the federal government probably more than that, for every person really in need.

I suggest that the $100 a month, which is an extra $300 a year, for the people at present receiving the old age pension might have been sufficient in 1965 but in 1967 it will be less than sufficient. I think that the Canada Assistance Plan and the provisos in respect of the disabled, blind and people receiving benefit under the old Age Assistance Act, will provide a great deal more money to those in need.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I was very pleased to hear the hon. member for Waterloo North (Mr. Hymmen) emphasize that our senior citizens are entitled to fair treatment in their advancing years. Before the Minister of National Health and Welfare (Mr. MacEachen) speaks I think that more members on the government side of the house should rise and express their views, as did the last speaker. I believe it is the duty of each member of this house to express his or her views on the problems that has been before us during consideration of Bill C-207. I refer to the problems of so many of our senior citizens in trying to live on the present old age security pension of $75 a month.

The plight of so many of our old age pensioners was very clearly presented earlier today by the right hon. Leader of the Opposition (Mr. Diefenbaker). He also very clearly outlined the efforts of those on the opposition side of the house—I refer particularly now to the Progressive Conservative members—ever since the session started to induce the government to raise the pension to $100 a month.

There is no need to repeat the statements of the right hon. Leader of the Opposition, although I have many of them here, because they have been placed on the record so forcefully and I am sure they will go all across the country in outlining our stand with regard to this problem. All I wish to say now is that I fully support all the statements made by our leader.

Bill C-207, known as the Canada Assistance Plan, has a great deal of merit. Speakers on this side of the house have agreed with this statement. The merit of this bill will become more apparent in the years ahead. We are not criticizing the bill for what it is intended to do in those years. As has been pointed out, the federal government will join with the provincial administrations in providing greater benefit for the disabled, the blind and the aged. All we are pressing for is the need for definite and immediate action for higher old age pensions. We are not advocating something new. An old age security pension of $100 a month was a plank in our platform in last year's election campaign, prior to the vote on November 8. I wish to emphasize this statement, Mr. Speaker, that the call for $100 a month was in our platform in the election campaign prior to the vote of the people on November 8.

Mr. Speaker, may I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader to tell us the business of the house before he leaves?

Mr. McIlraith: Mr. Speaker, tomorrow we will consider the resolution preceding the Bank Act revision; the second reading of the crop insurance bill; the committee stage of the National Arts Centre bill; and the Canada

Assistance Plan. These items will not necessarily be taken in that order. We would like to feel free to call them in any order.

Mr. Knowles: What will be the first item?

Mr. McIlraith: It has been quite apparent to all hon. members that it is not very easy to assess whether the house is interested in proceeding with the consideration of the Canada Assistance Plan. If hon. members are not interested in doing so, it may be better to try to bring legislation before the house with which the house will be willing to deal.

Mr. Knowles: I thought the minister had an important statement to make.

Mr. McIlraith: I think the hon. member for Winnipeg North Centre should know that the continued opposition to an important piece of legislation such as this is not conducive to maintaining the high opinion which we hope this parliament holds in the minds of the public.

Mr. Knowles: That is a completely unwarranted statement.

Mr. Douglas: And it is untrue.

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—HOUSING LOANS BY BANKS AT N.H.A. INTEREST RATES

Mr. Reid Scott (Danforth): Mr. Speaker, perhaps I should pause momentarily to let the house empty.

Some hon. Members: Oh, oh.

• (10:00 p.m.)

Mr. Scott (Danforth): I want to give the hon. members time to go to their offices and sign their names.

I have certainly heard sanctimonious bunk before, but the last statement tops them all.

Mr. Douglas: And said with a straight face.

Mr. Scott (Danforth): Mr. Speaker, the matter I wish to raise tonight deals with the continuing difficulty that we are having in this country in dealing with the financing of housing expansion. Over the last several months hon. members have continually raised with the government the difficulties which the housing industry is experiencing because of the shortage of mortgage money. We have tried to point out to the government the fact that a good many of our builders are closing down their operations, and that the number of applications for the approval of mortgage loans has been dwindling. Recently I placed a question on the order paper to try to ascertain the number of direct mortgage loans that have been granted in my home area of Toronto. I discovered that six, I think, have been provided during the month of June and five or ten during the month of May.

The whole housing industry in Canada is experiencing at present a very severe drought in the provision of money with which to finance building construction. We have tried, unsuccessfully, to convince the Minister of Labour, who is responsible for C.M.H.C. in the house, that this is a serious problem. He has replied with the usual parade of statistics supplied by his officials, which would seem to indicate that the situation is not at all serious. We have tried to show him the large number of builders from coast to coast who are gradually closing down their operations because they simply cannot finance building any longer.

We suggested to the government that one solution would be for the government to directly enter into the mortgage field, instead of having the Central Mortgage and Housing Corporation become a secondary lender who picks up the slack when the conventional lender is not prepared to enter the field. We have suggested that the government become the primary lender. After all it is the government which arbitrarily sets the rate—and I do not quarrel with that—restricting the C.M.H.C. to 6.75 per cent. If the government decides to limit that interest rate, then it should ensure that sufficient funds are available to meet the demand for housing loans. In the last two or three weeks this has become a highly critical problem, certainly in the area which I represent and which many of the members on the government side represent.

Quite frankly, at the present time the conventional lenders are out of the housing field pretty well for the year. Not unwisely, they have diverted their lending facilities to areas of higher yield. They are required to provide the maximum returns to their shareholders, and therefore are naturally going to lend in areas in which they can get maximum returns on their investments. I do not quarrel with this idea. I ask the Minister of Finance

(Mr. Sharp) what consideration the government is giving to making it possible for our banks to re-enter the field of housing loans. A few years ago the banks suddenly became very active in this field, and that was most helpful. Lately they have not been interested. What we really need in this country is some assured source of mortgage money.

In the past the government at Ottawa has tended to turn mortgage money on and off like a tap, not to provide housing but to provide employment or to influence the economy up or down. When things begin to slow down the government makes much more money available to make the construction industry boom. When the government feels the economy is becoming overheated, the money supply is turned off. This has a most unsettling effect on the whole housebuilding industry, because we have no real assured source of mortgage funds in Canada. I was interested, therefore in finding out what the government has in mind, if it has anything in mind, which would permit the chartered banks to go back into the field of insured lending under Central Mortgage regulations. After all, the banks cannot lose. Everybody is insured except the poor fellow who buys the house. They really have nothing to lose and everything to gain. Some bankers tell me that these poor, under-nourished banks would be prepared to enter the field. I was wondering what the government had in mind. Mr. Speaker, in his wisdom, ruled my question out of order, but we would be interested, as I am sure would thousands and thousands of builders as well as potential purchasers of homes, in ascertaining what the government intends to do in this field.

[*Translation*]

Mr. Jean Chrétien (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in reply to the question raised by the member for Danforth (Mr. Scott), it affords me pleasure to thank him for his remarks.

Of course, as far as mortgages for the construction of private homes in Canada are concerned, I think the Minister of Labour (Mr. Nicholson) has clearly indicated on several occasions in the house that the situation is not as bad as the member for Danforth would have us believe.

The question I wish to answer this evening deals with the point he raised, namely whether the government intends to implement policies designed to enable banks to grant mortgage loans. Of course, this is a matter of government policy which, according to tradition, will be announced in due course, but I may say to the hon. member that within a few days, if our debates resume their normal pace, we shall be able to study the resolution concerning the Bank Act and he will then have the opportunity to raise this matter. I am pretty sure the Minister of Finance (Mr. Sharp) will be in a position to answer this worthwhile question.

[*English*]

PUBLIC SERVICE—IMMIGRATION STAFF ASSOCIATION COMMUNICATION RESPECTING MORALE

Mr. Max Saltsman (Waterloo South): On June 17 I directed a question to the Minister of National Revenue (Mr. Benson) in his capacity as vice chairman of Treasury Board. The question arose from a series of most disconcerting letters which reached me, as well as every other member, in which a very positive indication is given of a dangerous situation resulting in a serious loss of morale within the civil service. The specific letter which prompted the question came from the central branch of the Canadian Immigration Staff Association, and I quote from that letter:

• (10:10 p.m.)

> The situation being created by this apparent "foot dragging" by the government in concluding these promised pay increases is quickly reaching the critical stage with regard to employee morale.

This was a letter directed to the Minister of Finance and written by D. R. Davies, the representative of the Kitchener branch. In the accompanying brief by Mr. C. A. Edwards, who is chairman of this group, he stresses the following point:

> The point has now been reached where the discontent and dissatisfaction expressed by our members in these two categories can no longer be contained and I want to advise you in all seriousness that if the Treasury Board is not prepared to recommend an adequate adjustment forthwith for the employees in these categories then I cannot, as chairman of the staff side conference, be responsible for the crisis that will surely develop. The Treasury Board has the authority to avert such a crisis and I would strongly suggest that you take the necessary action to avert it before it is too late. We are all aware of the pockets of discontent and dissatisfaction that are increasingly appearing throughout the service at various levels. This will surely soon develop into a full scale crisis of unprecedented dimensions unless the Treasury Board stops ignoring these developments and takes the necessary and required action in the form of adequate pay revisions forthwith and without delay.

We are all aware that in the reclassification that has recently taken place in the National

Employment Service and in the accompanying examinations for this reclassification, a great deal of uncertainty has been created within that particular division. The basis on which these examinations were conducted is being questioned. The matter of adjustments and the question of review has been left up in the air, and serious dissatisfaction exists within this service.

Last week I had a call from an employee at the central post office in Ottawa who complained about working conditions in that building and asked me to take a look for myself. I availed myself of the opportunity to inspect the premises, and although some of the criticisms made by this employee were borne out by my inspection—the fact that the building was not kept as clean as it might have been, the overcrowding in the building and the poor ventilation of the building—in fairness I think it might be pointed out that perhaps the Post Office Department cannot do a great deal about these matters, with the exception of the cleanliness of the building.

I think that what was probably more significant about my visit was the fact that these are only symptoms of a far more serious situation, which is the loss of morale that is occurring within the civil service because of the refusal of the government to take action and to look into these various complaints that are being brought to its attention.

I received a letter this morning from an officer in the customs and excise branch, and among other things he says:

> I expect by this time you will have become aware of the extreme dissatisfaction created amongst federal civil servants by the implementation of the government's reclassification plan.

He goes on:

> No doubt others will be writing to you in the same vein, and probably the various branches of the departments concerned will provide you with details of the retrograde steps being taken. Salary cuts, to my mind, are symbolic of depression days, and it is hard to reconcile such acts in times of what our political leaders constantly assure us are "booming". The only boom we have experienced is the one they have lowered on us.

This morning I received a telegram from Mr. John Jackson, the national president of the Customs and Excise Officers Association, in which he says:

> At a meeting of branch presidents held in Toronto this week end the Customs and Excise Officers Association protests against the implementation of the classification revision program because, one, we believe classifications should be bargainable, two, salaries should be bargainable and the government has effectively downgraded the salaries of as many as 40 per cent of our members in the administrative support categories; three, we want a regulatory group distinct and separate from the clerical group for people performing regulatory functions; four, we want people in holding positions to be able to maintain their standard of living by receiving the full benefits of salary revisions as though classification revision had not taken place until the holding situation is relieved by natural attrition such as staff turnover promotions and retirements; five, we believe that if the salary levels announced for October nineteen sixty-six were effective October nineteen sixty-five the situation would be greatly relieved.

A number of things are evident from these letters, the most serious of all being that the government's refusal to take action may result, if that has not already taken place, in a serious loss of morale in our highly valued civil service.

Mr. J. C. Munro (Parliamenary Secretary to Minister of Citizenship and Immigration): Mr. Speaker,—

Mr. Knowles: Boom boom Munro.

Mr. Munro: I believe there has been some misunderstanding from the question as put by the hon. member. He indicated that he wanted to debate the question of morale in the Department of Citizenship and Immigration, without any particular reference to the cause—if you will check *Hansard* you will see what I refer to—of that loss of morale.

I am here on behalf of the minister to go into the question asked. From listening to the hon. member it seems that his complaint has more to do with the reclassification process within the civil service, pay increases, and so on, than with anything else. A good many of his remarks had to do with complaints emanating from officials in the customs and excise branch. I think, therefore the more appropriate answer should come from the minister responsible, the Minister of National Revenue.

Mr. Saltsman: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Rinfret): I regret that there can be no point of order at this time.

CANADIAN FLAG—INQUIRY AS TO PROSECUTION FOR DESECRATION

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, last Thursday I directed a question to the Minister of Justice, asking him if there was any means available which would allow for the prosecution of those who desecrate and/or destroy the Canadian flag and other national symbols. I

asked this question on the day before Dominion Day, because of the unfortunate incidents which took place on that holiday in 1965. Many hon. members will remember how last year some ungrateful and irresponsible persons in Montreal tore down our flag, ripped it and burned it. Similar incidents have been repeated on too many other occasions. In asking this question I was hoping that the government might give notice of stiff sanctions to those persons who might think of repeating this behaviour.

It appears, Mr. Speaker, that similar demonstrations were planned this year, but they were broken up by the Montreal police before they could start. The Montreal *Gazette* of July 2, which is this past Saturday, reports as follows:

> A highly-organized force of 250 police put a damper on an attempt to stage a parade protesting against Confederation.

Further on it says:

> The police took 50 persons into custody as the group did not have a permit.

And further on, still talking about this group:

> They were to surround the statute of Sir Georges Etienne-Cartier and denounce him as a traitor to French Canada.

I am not an extreme nationalist, Mr. Speaker. As a matter of fact I favour nationalism only as a means of bringing a more total and more significant contribution to internationalism. I believe that if we are going to make a proper contribution on the international level, then we require a certain national unity and a certain national purpose. National symbols are a means of unifying people. They represent in a graphic way the unified feelings and history of a people. Although the people are free to democratically change their institutions, their laws, and their symbols, they should not be free to blatantly insult and desecrate these institutions and symbols. Such acts only cause unrest, conflict and vengeance. They are not the acts of a civilized and mature society.

Mr. Speaker, I have spoken thus far of those who actually desecrate and insult our national symbols, but I must also mention those who fail adequately to honour them. We have just completed our 99th birthday and celebrated Dominion Day, but how many Canadians took any time to honour their country's institutions and symbols? We set aside only one day in the year for this purpose, yet for many Canadians this seems to be too much. Many of these people will quickly criticize those who tear and burn our flag, yet they will do very little to honour it. If these Canadians who supposedly support our institutions and our way of life do not show the way by honouring their symbols, then how can they expect to have them honoured by others?

Mr. Speaker, I hope the government will tell us what can and should be done to discipline these people, and if the law does not presently provide any such sanctions, then I hope they will bring forward some legislation to deal with them. I might in this regard refer to Bill C-209 introduced recently by the hon. member for Quebec-Montmorency (Mr. Laflamme). This bill would introduce a new section in the Criminal Code which would read as follows:

> Every one who fails to pay proper respect to, causes damage to, destroys, alters, defaces, or desecrates the National Flag of Canada or a recognized national symbol of Canada, is guilty of an indictable offence or an offence punishable on summary conviction—

And so on.

Mr. Speaker, we need some law to sanction those who insult our flag and other national symbols. If there is no such law at present, I would strongly recommend Bill C-209—or a similar measure.

Hon. Robert Winters (Minister of Trade and Commerce): I wish to reply only briefly to this important question on behalf of the government, and to say that in my opinion the adoption by parliament of a Canadian flag was one of the greatest steps forward to Canadian maturity. The new flag is a sign of our maturity, and merits proper recognition, as one of our national symbols. All those who do other than honour something which was achieved through such great agonies of parliament—

Mr. Knowles: You were not here.

Mr. Winters: I was not here at that time, but I suffered with the nation. Those who desecrate the flag are, I think it is fair to say, almost to be pitied because they are demonstrating a lack of maturity and a real want of understanding of the meaning of our national symbols and of the state we have now reached in the development of our history.

In the last election campaign in which I participated, I detected a greater response to this new symbol of Canada's unity than by almost anything else. While we are all aware of the arguments which were presented to parliament at that time, I believe it is generally accepted across the country that the fact

that we now have a flag of our very own is a great step forward in our march to maturity as a nation.

I am glad my hon. friend from Notre-Dame-de-Grâce (Mr. Allmand) has raised this point. I must say I was impressed by the attention devoted to the recognition of our national holiday. Those of us who were here in Ottawa had an opportunity of seeing the great demonstration before the parliament building in which many of the nationalities which compose the totality of Canadian citizenship were represented.

Mr. Knowles: Thousands of Ottawans on the lawn did not think much of it.

Mr. Winters: I thought it was a splendid demonstration, an outstanding recognition of the total composite of Canadian citizenship based on the two founding races, and I am very happy on behalf of the government to tell the hon. member for Notre-Dame-de-Grâce that we will take full note of the important contribution he has made here this evening.

Motion agreed to and the house adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, July 5, 1966

The house met at 2.30 p.m.

[*Translation*]

COMMITTEES OF THE HOUSE

SECOND REPORT OF STANDING COMMITTEE ON STANDING ORDERS

Mr. Patrick T. Asselin (Richmond-Wolfe) presented the second report of the standing committee on standing orders.

[*English*]

TRANSPORT AND COMMUNICATIONS—NINTH REPORT OF STANDING COMMITTEE

Mr. Joseph Macaluso (Hamilton West) presented the ninth report of the standing committee on transport and communications and moved that the report be concurred in.

Mr. Speaker: Order, please. I understand that there is no recommendation from the committee which would require the concurrence of the house at this time.

PENITENTIARIES—FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie) presented the first report of the special joint committee on penitentiaries, and moved that the report be concurred in.

Mr. Speaker: The hon. member will have to submit a motion in writing to the Chair.

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

HEALTH AND WELFARE

TABLING OF LETTER TO HEALTH INSURANCE ASSOCIATION

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, with the consent of the house I should like to table the correspondence requested by the hon. member for Kamloops.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

• (2:40 p.m.)

INTERPRETATION ACT

PROVISION FOR REVISION AND CONSOLIDATION

Hon. Lucien Cardin (Minister of Justice) moved the first reading of Bill No. S-9 (from the Senate) to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Motion agreed to and bill read the first time.

CANADA LABOUR (SAFETY) CODE

PROVISION FOR EMPLOYMENT SAFETY IN FEDERAL WORKS

Hon. A. J. MacEachen (for the Minister of Labour) moved the first reading of Bill No. S-35 (from the Senate) respecting the prevention of employment injury in federal works, undertakings and businesses.

Motion agreed to and bill read the first time.

LABOUR RELATIONS

COMPLAINTS RESPECTING ALLEGED PROVISION OF COMPULSORY ARBITRATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): My question is addressed to the Prime Minister. Did he receive a telegram from the solicitors of the International Longshoremen's Association regarding the settlement to which he was a party? Can the Prime Minister also tell me whether he has heard from Mr. Claude Jodoin complaining that Bill C-215 amounts to compulsory arbitration, and that it had been made very clear to the members of this union at the time the settlement was finally agreed upon that nothing in the nature of the legislation now on the order paper would be brought into effect in any way?

What is the Prime Minister's answer to the allegations that are made in the telegram that in his office and in his presence the Minister of Labour raised the question of final and binding arbitration—

Inquiries of the Ministry

Mr. Speaker: Order, please. It seems to me the question is rather lengthy. It should be condensed if possible.

Mr. Diefenbaker: It is a very long telegram, Mr. Speaker, and I was reading three lines from it.

Mr. Speaker: The right hon. Leader of the Opposition knows, of course, that he cannot read the telegram as part of his question.

Mr. Diefenbaker: The telegram continues as follows:

> The Hon. Nicholson raised the question of final and binding arbitration and again President Jodoin strenuously opposed final and binding arbitration being part of any settlement...

What has the Prime Minister to say in this regard, and is it the intention of the government to proceed with this bill before the summer adjournment?

Right Hon. L. B. Pearson (Prime Minister): I have received the telegram to which my right hon. friend has referred, and I have replied to it. The Minister of Labour has replied to it at greater length, and has challenged and denied some of the facts alleged in the telegram. There will be ample opportunity to discuss the matter when the bill is introduced and proceeded with, as it will be.

Mr. Diefenbaker: Will that take place before the adjournment?

Mr. Pearson: Yes, Mr. Speaker, before the adjournment.

[*Later:*]

Mr. David Lewis (York South): I should like to address a question to the Prime Minister, related to one asked earlier by the Leader of the Opposition. Would the Prime Minister give consideration to tabling (1) a copy of the memorandum of settlement between the shipping federation and the longshoremen's association of the St. Lawrence ports, and (2) all letters, copies of letters and telegrams sent or received by him and the Minister of Labour to or from the unions and their solicitors?

Sone hon. Members: Order paper.

Mr. Lewis: I ask this now because I understand that Bill C-125 will be coming before this house shortly, and I think it would be helpful if these documents were available.

Mr. Pearson: I will be glad to give consideration to the tabling of all the relevant documents.

[Mr. Diefenbaker.]

VANCOUVER—POSSIBLE TROUBLE FOLLOWING IMPRISONMENT OF UNION OFFICERS

On the orders of the day:

Mr. David Lewis (York South): I have a question which I intended to put to the Minister of Labour. I sent him notice, but in his absence perhaps I might ask it of the Solicitor General. In view of the possibility of serious difficulty on the Vancouver waterfront arising out of the imprisonment of ten officers of the longshoremen's union on the west coast, has the government given consideration to the possibility of the governor in council taking action by way of a remission or a pardon in this case so the imprisoned longshoremen may be released from jail shortly, thus avoiding future difficulties?

Hon. L. T. Pennell (Solicitor General): I propose to take the question as notice so I will have an opportunity of discussing the matter fully with the Minister of Labour on his return tomorrow.

[*Translation*]

EXTERNAL AFFAIRS

STEPS TAKEN FOLLOWING U.S. BOMBING OF NORTH VIET NAM CITIES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Secretary of State for External Affairs. In view of the fact that he keeps posted on the developments in Viet Nam, can the Minister tell us if the government has officially protested against the bombing of Hanoi and Haiphong, and if bombing of those two cities is now being pursued?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister answered that question yesterday. The fact is that we discussed the matter recently with the representatives of the United States.

HEALTH AND WELFARE

QUEBEC—DISCUSSIONS WITH PREMIER RESPECTING MEDICARE

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the reservations expressed by the premier of Quebec, Mr. Johnson, on the federal medicare plan, is the Prime Minister in a position to tell the house whether he has exchanged views with the premier of Quebec on this matter?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Not on this particular matter, Mr. Speaker, to my knowledge, although I will check as soon as I get back to the office.

[*Translation*]

Mr. Ricard: A supplementary question, Mr. Speaker. Will the views expressed by the premier of Quebec result in a change of plans on the part of the federal government and prevent the bringing down of this resolution before the adjournment?

[*English*]

Mr. Pearson: Mr. Speaker, we expect to proceed with this piece of legislation.

AGRICULTURE

MILK—REQUEST FOR REVISION OF SUBSIDY POLICY

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Minister of Agriculture. In view of the fact that his announced policy of paying $4 per hundredweight on manufacturing milk has caused serious injustice to dairy farmers, would he be prepared now to announce a revision of that policy to make the payment $4 f.o.b. the farm?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the government's policy as announced in this house quite clearly stated, and I emphasize the exact words, "the support level will provide an average net return of $4 per hundred pounds of manufacturing milk testing 3.5 per cent butterfat content, basis f.o.b. the factory."

Mr. Grafftey: Yes, f.o.b. the factory.

Mr. Greene: F.o.b. the factory; that was my announcement in this house at the time the policy was announced. I was very careful also to point out, if hon. members would read *Hansard* before asking questions—

Some hon. Members: Oh, oh.

Mr. Greene: I was very careful to point out also that the federal government did not have the authority to fix prices within the provinces, and that price fixing would be a provincial matter or a matter for producer organizations within provinces. All this information is contained specifically in the words in which I made the statement in this house at the time the program was announced.

Inquiries of the Ministry

Mr. Starr: May I ask a supplementary question. In view of the fact that the implementation of this policy has caused injustice to dairy farmers, will the minister revise it?

Some hon. Members: Oh, oh.

Mr. Starr: Will the minister consider revising—

Mr. Speaker: Order, please. The hon. member cannot include an allegation as part of his question.

Mr. Starr: Would the minister now consider revising the policy so this $4 per hundredweight on manufacturing milk would be f.o.b. farm instead of factory?

Mr. Greene: Mr. Speaker, as I made clear in my statement there is no constitutional way in which we can fix the price f.o.b. the farm. Naturally, costs of transportation as between one farmer and another vary. I do not think the hon. member would suggest that the cost of transportation to a farmer who has to truck his milk 20 or 25 miles is not greater than the cost to the fellow who lives right next door to the factory. Therefore the actual fixing of price under the constitution is a provincial matter.

I understand that there are some difficulties with respect to transportation and transportation costs which have been raised by the manufacturers. This is a matter which is purely within provincial authority. In fixing the price of the milk through milk marketing boards, transportation costs can be considered. While I am very anxious, as I know all hon. members of the house and others are, to do everything I can for the farmers—

Mr. Starr: Mr. Speaker, on a point of order, I wonder whether instead of the minister making a speech the Chair would ask him to be concise and to answer the question that was posed to him.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, so we will get right down to it, does the minister say that constitutionally, while he can fix the price to be paid for fluid milk at the factory at $4, he cannot fix it at $4 on the farm? Is that what he tells us?

An hon. Member: That is what he said.

Mr. Greene: Mr. Speaker, I know the right hon. gentleman is far more familiar with the

constitution than I, but the government's policy was stated quite clearly, as follows; that it—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, inasmuch as there is not another commodity on the Canadian market which bears transportation costs, in part or in whole, of this sort, would the minister say that he will now change his milk policy so as to make for a more equitable distribution of payments to the farmers?

Mr. Greene: Mr. Speaker, I think in making a 40 per cent increase in a three year period we have effected an increase which is larger than the increase relating to any other commodity. I think the federal government's policy in this regard is most adequate, and I believe the farm organizations have so expressed themselves.

I hope that in conjunction with provincial organizations we can evolve a policy which will be satisfactory both to the manufacturer and to the farmer, and we are working toward that end every day.

Mr. Winkler: Mr. Speaker, one further supplementary question. I should like to ask the minister to whom is his policy satisfactory, himself or the farmer?

Mr. Speaker: Order, please.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to ask the Minister of Agriculture whether he figures that $3.15 is satisfactory to the farmers.

Mr. Speaker: Order, please.

Mr. Roxburgh: It is better than $2.85.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, a supplementary question to the Minister of Agriculture. In view of the fact that there are constitutional limits as to what the federal government can do, and in view of the fact that there is a new government in Quebec, would he now invite to Ottawa the ministers of agriculture of these two central provinces, which must co-operate to make this milk policy work, so as to work out with the help of two co-operative provinces a method which is constitutionally sound and which will make it possible to give the farmers what was promised?

[Mr. Greene.]

Mr. Greene: Mr. Speaker, prior to the formulation of the policy I was in communication with the ministers of the various provinces, and I think I can say we worked together in harmony in arriving at this policy. In view of the teething problems respecting the program that my hon. friend refers to, including transportation costs, I am pleased to let him know that I have teed up a meeting with the provincial ministers of Quebec and Ontario for Thursday morning.

[*Translation*]

[*Later:*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a supplementary question to the Minister of Agriculture.

When the minister informed the house of the government dairy policy he gave a clear and precise impression, throughout Canada, to all farmers, that from now on—

Mr. Speaker: Order. The hon. member must, at this time, put a question.

Mr. Caouette: —all farmers would receive $4 per hundredweight.

Today, the minister tells us that, due to transportation, the $4 is not paid to farmers. Can the minister take some action so that farmers may get $4 per hundredweight for milk? That is what we want to know.

Mr. Speaker: This question is a repetition of another one which has already been put several times this afternoon.

[*English*]

[*Later:*]

Mr. H. A. Moore (Wetaskiwin): My question is directed to the Minister of Agriculture. Will the minister meet with the minister of agriculture for Alberta to discuss means of remedying the situation in which Alberta dairymen are receiving $2.81½ cents per hundredweight for milk sold as cream, a price which includes the 75 cents subsidy, and they are receiving for milk sold as manufacturing milk—

Mr. Speaker: Order. I suggest to the hon member that though the first part of his question was in order it was becoming a little too involved. Perhaps he will allow the minister an opportunity to answer the first part of his question now.

Mr. Greene: Well, I have not had any request from the province of Alberta for any meeting. I know of no provincial action to fix the price, as the province is able to do. If the

provincial minister wishes to meet with me at any time I shall be only too happy to meet him.

Mr. Moore: Is the minister aware that this price does not include hauling charges and that $3.44 is the maximum for milk shipped to manufacturing plants?

Mr. Speaker: Order. The second part of the question is argumentative.

Mr. Arnold Peters (Timiskaming): Would the minister give consideration to setting a stabilization figure of $4 under the Agricultural Stabilization Act? If this were done the constitutional difficulty outlined would not develop.

Mr. Greene: The present policy involves a support program which will enable the payment of $3.25 at the factory. Powder, butter, casein and all the other products are supported by the stabilization board to enable the payment of $3.25 which in Ontario is fixed by the province at that level.

This means that the farmer gets $3.25 plus the 75 cents paid by the federal government, plus the 10 per cent export subsidy. So actually the farmer will get $4.10, and this is a stabilization board policy which enables the payment of $3.25 f.o.b. the factory. However, if the provinces do not see fit to take action to protect that $3.25, it is a matter for them. I hope our negotiations will persuade the provincial governments to take adequate action in conjunction with ourselves to ensure a return of $4.

Mr. Starr: A supplementary question to the minister. How can he reconcile the present situation in which farmers receive only $3.10 or $3.15 per hundredweight with his statement of March 23 to the effect that this policy—

Mr. Speaker: Order, please. I suggest to the hon. member that his question is not a proper one at this time.

Mr. Starr: Well, I rise on a point of order so as to clarify the situation. I think the minister misled the house at that time.

Some hon. Members: Oh.

Mr. Speaker: Order. The hon. member should make it clear whether he is making a charge against the minister. If he is rising on a point of order he should state exactly what his point is, and the Chair will have a chance to rule on it.

Mr. Starr: My point is that the minister made a statement on March 23, as reported at page 3401 of *Hansard*, that this policy would ensure a price of $4 a hundredweight to Canadian milk producers. This has not been the case, and I believe the minister has misled the country and the farmers of this country.

Mr. Speaker: Order. This is not a proper point of order. It is an argument along the lines of the one on which we have been engaged for the past few minutes. I do not accept the question.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the fact that he stated a while ago that he will meet with the Quebec minister of agriculture next Thursday about this price of $4 per hundreweight for milk, could the minister take with him, on that occasion, a copy of the *Debates* for March 23, 1966, when, as recorded on page 3043, the present Quebec minister of agriculture stated here in this house that $4 per hundredweight should be the minimum price for farmers?

[*English*]

TELEVISION

REQUEST FOR REMOVAL OF FREEZE ON APPLICATIONS

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, this question is for the Minister of Transport. Now that the white paper on broadcasting has been tabled the Minister of Transport will not be surprised by this question. Will the minister not recognize the concern of many regions of the country, including the eastern and northern parts of Nova Scotia, and announce whether the freeze on the establishment of alternative television service will be lifted soon?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the freeze is lifted as of now except for the four places—I think it is four—mentioned specifically in the white paper that are to be reserved to the C.B.C. I am sure all hon. members who are interested will be glad to know this.

Mr. H. Russell MacEwan (Pictou): A supplementary question, Mr. Speaker. Now that the minister has answered the previous question I wonder if he would not again speak to

the Secretary of State and ask her to table the order for return, with respect to television service for the county of Pictou, passed by this house on April 6.

Mr. Pickersgill: I am sure the Secretary of State would find the hon. gentleman's request just as seductive as mine.

[*Later:*]

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a supplementary question for the Minister of Transport regarding the freeze not being lifted in the four areas mentioned in the white paper on broadcasting. I would ask him whether this means that C.B.C. stations will not be built in those areas, as it says in the white paper.

Mr. Pickersgill: Evidently I did not make myself clear, and I think it is very desirable that I should try to do so. The white paper indicates—I am speaking from memory—that Saskatoon, Victoria, Sudbury and the Saint John-Fredericton area are being reserved—the alternate is being reserved—for the Canadian Broadcasting Corporation. What my announcement meant was that in the case of the Department of Transport any other application from any other place for alternate service would be received in the ordinary way and transmitted to the Board of Broadcast Governors for such consideration as they might choose to give it.

Mr. Cantelon: Does this mean that the C.B.C. would immediately proceed to put stations into those areas?

Mr. Pickersgill: That, I think, is a matter which would not come within the responsibilities for which I answer to parliament. I will direct the question to the Secretary of State.

Mr. Joseph Macaluso (Hamilton West): I have another question for the Minister of Transport. Does the government or the Department of Transport intend to continue to issue licences to cable television companies in the light of the CATV report in the white paper on broadcasting tabled in this house yesterday?

Mr. Pickersgill: It is the intention of the government to continue in exactly the same way as we are now proceeding with CATV licences until such time as parliament amends the legislation, if it chooses to do so, in accordance with the recommendations in the white paper. So, for the time being, and contrary to some reports made yesterday, there will be no change whatsoever.

[Mr. MacEwan.]

SHIPBUILDING

REPRESENTATIONS RESPECTING REPEAL OF VESSEL CONSTRUCTION ASSISTANCE ACT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): My question is for the Minister of Finance, Mr. Speaker. Was the shipbuilding industry consulted with respect to Bill C-216, as promised? If not, will full opportunity be given to these important segments of our industry to make their representations with respect to this bill, part of which repeals the Canadian Vessel Construction Assistance Act, which will have such a serious effect on that industry?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the bill that has been introduced does not change anything of substance with respect to the act that will be repealed, because its provisions will be incorporated into the Income Tax Act. I also have received many representations from the industry, and in order to make sure there is an opportunity for consultation I am giving sympathetic consideration to the request that the sections of the bill the hon. member has referred to should be deferred.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Finance arising out of an answer he gave a few minutes ago to the hon. member for Saint John-Albert. I should like to ask him whether I understood him correctly to say that the proposed repeal of the Canadian Vessel Construction Assistance Act is not in any way to modify or reduce the benefits that certain taxpayers now enjoy, but that none the less he was going to withdraw certain sections from the proposed income tax bill until after the recess?

Mr. Speaker: Order, please. I do not think the question as asked now is acceptable. The hon. member is posing an argument. He is asking whether he understood the minister correctly. I do not think the question as posed can be asked.

Mr. Barnett: May I assure you, Mr. Speaker, that I have no intention of being argumentative. However, some strong representations have been made on this matter, and I should like to understand what the minister is going to do. Could I ask whether he is going to withdraw all the sections in the

proposed income tax amending bill, Bill C-216 until after the recess so he can reach an understanding on the question of repeal of the Canadian Vessel Construction Assistance Act.

Mr. Sharp: Mr. Speaker, in reply to the original question I said I was giving consideration to the request to withdraw from the income tax bills those sections relating to the Canadian Vessel Construction Assistance Act. I did not say they would be withdrawn, because before I do that I would like to look at the technical questions involved when the bill is called.

Mr. Bell (Saint John-Albert): Can we take it that if the minister does not decide to make a deferment there will be an opportunity for the industry to be heard before the matter comes forward?

Mr. Sharp: That is a hypothetical question. I hope it does not arise.

GRAIN

WHEAT—INQUIRY AS TO TWO PRICE SYSTEM

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, yesterday I directed a question to the Minister of Agriculture in regard to the government's plans with respect to a two price system for wheat. I did not hear his reply at that time, but it was as follows, and I quote from page 7127 of *Hansard*:

> If government policy is made in this regard it will be announced in the normal manner.

I now ask the Minister of Agriculture whether this means that the government is planning to renege on its widely publicized election promise with respect to a two price system—

Mr. Speaker: Order, please. This question is argumentative and cannot be received in that form.

Mr. Nasserden: Then I should like to direct another question to the Prime Minister. In view of the rising cost of production of grain, has the government under consideration a policy which would enhance the return to producers?

Mr. Speaker: Order, this question is of a very general nature and I suggest to the hon. member that it ought not to be asked now.

Mr. Nasserden: It is also a very urgent question. As we know, there have been a number of labour disputes in this country, settlement of which has meant a 30 per cent increase in labour costs. The prices of many of the items needed by farmers have been going up, and I think it is fair to ask the minister whether some consideration is being given to the farmers of this country.

Mr. Speaker: Order, please.

NATIONAL DEFENCE

RIVERS, MAN.—REPORTED INTENTION TO CLOSE TRAINING CENTRE

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): I have a question for the Minister of National Defence. Can the minister dispel the report, widely circulated in Manitoba, that all contracts are being terminated at the joint air training base at Rivers, that military personnel are being moved out and that the base is to be closed?

Hon. Paul Hellyer (Minister of National Defence): This is just speculation. No decision whatsoever has been taken in this regard.

Mr. Nicholas Mandziuk (Marquette): I should like to follow this up. Will the minister tell us whether such action is being considered?

An hon. Member: That is what he said.

Mr. Mandziuk: Is the department planning to close this base?

Mr. Hellyer: Well, hypothetically, as far as the base consolidation program is concerned, all permutations are being considered. It would therefore be true to say that any base in the whole system was being considered in the light of its future usefulness. Beyond that I cannot go, because no decision has been taken in reference to Rivers or any other base in the area.

SCIENCE COUNCIL OF CANADA

SUGGESTED APPOINTMENT OF AQUATIC SCIENTISTS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I have a question to address to the Prime Minister. In view of the fact that none of the 29 men recently appointed to the Science Council of Canada has any association with the aquatic sciences, will the right hon. gentleman reconsider these appointments and

make the necessary changes in the council so the problems of our fishing industry and specifically those related to our aquatic resources can be examined and studied by someone with knowledge of this subject?

Mr. Speaker: Order. I suggest the hon. member place this question on the order paper.

Mr. Crouse: On a point of order, Mr. Speaker, a series of underwater acoustics studies is to be undertaken this month by Canadian and United States scientists off Cape North, Nova Scotia. Several agencies are co-operating to instal equipment for this project which is centred at a Canadian National telecommunications site. These include the naval research establishment, the United States navy, Canadian Army signals—

Mr. Speaker: Order. I wonder whether the hon. member would state his point of order.

Mr. Crouse: In view of the fact these people are investigating underwater acoustics in cold water in this area, and since their findings could be of great interest to the science council if there were someone on the council who could appraise them, I think this suggestion should be given consideration.

Mr. Speaker: The hon. member has made very effective representations by means of his point of order. I can only hope, with him, that they will be taken into account.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Prime Minister. Has the Prime Minister or anyone on his behalf written to any assistant deputy ministers or others in the top levels of the civil service to inquire whether they would move to Quebec for a while to perfect their bilingualism?

Mr. Speaker: Order. This question is not so urgent that it could not be placed on the order paper.

IMMIGRATION

VANCOUVER—DEPORTATION OF JAPANESE GIRL

On the orders of the day:

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, on June 20 and 21 the hon. member for Okanagan-Revelstoke inquired about a young Japanese girl, Masako Endo, who was ordered deported at Vancouver airport two weeks ago while seeking to visit Canada.

I have deferred making a statement on this case until all of the facts were known and the immigration appeal board had reached a decision on her appeal against the deportation order. The immigration appeal board has heard the girl's appeal, and while they have dismissed it they have recommended that she be permitted to carry on with her visit in Canada. We agree entirely with this decision.

EXTERNAL AFFAIRS

RHODESIA—CONDITIONS RESPECTING POSSIBLE COMPROMISE SETTLEMENT

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 regarding the situation in Rhodesia. Now that the Prime Minister of the United Kingdom has announced the temporary suspension of Britain's search for a Rhodesian compromise, has the government of Canada agreed that any compromise settlement which is finalized must be acceptable to all Rhodesians as well as internationally acceptable to foreign nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did not hear what my hon. friend said at the beginning. I will take this question as notice.

Mr. Diefenbaker: Mr. Speaker, I do not want to go over it again. I simply ask the minister this: What is the present position in respect of the suspension of the talks between the British government and Rhodesia; and is the government of Canada in agreement that any final settlement must be acceptable not only to all Rhodesians but internationally as well?

Mr. Martin (Essex East): Mr. Speaker, I had not understood the first part of the question. The talks have not been suspended. There have been two series of talks, one in London and a second one in Salisbury. A third round of talks is now under way in Salisbury. I hope those talks will determine whether there is a basis for negotiation—a negotiation, however, which as the British Prime Minister said must be without commitment.

Mr. Diefenbaker: The minister says the talks have not been suspended. Does he realize that at Westminster today the Prime Minister of the United Kingdom said they had been suspended until later this month so as to give each side time to reflect. Is the minister now in a position to answer the question? Does the Canadian government agree and is it acceptable to the Canadian government that on a Commonwealth matter such as this not only must there be the consent of all the inhabitants of Rhodesia, but such a settlement must be internationally acceptable?

Mr. Martin (Essex East): Mr. Speaker, in so far as these talks are concerned the problem involves primarily the government of Britain and the illegal regime represented by the spokesmen for Rhodesia. Canada is not bound in any way by the conclusions of those talks. The arrangement thus far is one between the colonial power and the dependent regime. When we know what the conclusions are we will be in a position to ascertain whether they do involve independent members of the Commonwealth. Until we know the result of those talks it is not possible to make any reply to the last part of my right hon. friend's question.

PUBLIC SERVICE

INQUIRY AS TO SALARY REVISIONS FOR GROUP B ADMINISTRATIVE CATEGORY

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 Revenue. In view of the fact that last week announcements were made concerning salary revisions for the administrative support category in group B, can the minister say when the corresponding announcement will be made concerning the administrative category in the same group?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the administrative category was held up due to the reclassification which is taking place. Such reclassification is being carried out by the Civil Service Commission, and we have urged the commission to proceed with this with all haste in order that we might consider this matter.

Mr. Robert McCleave (Halifax): Mr. Speaker, I have a supplementary question. I should like to ask the Minister of National Revenue whether he is in a position to reply to my question of last week concerning the red circling of employees in the Department of National Defence?

Mr. Benson: Mr. Speaker, I will answer this question tomorrow.

COMMONWEALTH RELATIONS

SUGGESTED FORMATION OF CANADA—WEST INDIES COMMITTEE

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has he given consideration to the recommendation of the association of Atlantic universities for the establishment of a permanent Canadian-West Indies committee by the governments of Canada and the Commonwealth Caribbean countries?

Mr. Speaker: Order. I suggest that the hon. member's question should be placed on the order paper.

[*Translation*]

AGRICULTURE

QUEBEC—INQUIRY AS TO ARDA PROGRAM

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Forestry.

Since the election of a new provincial government in Quebec, has the minister been in touch with the provincial authorities in the fields of agriculture or lands and forests to ensure the continuation of the ARDA program in order to help the growth of the underdeveloped areas of Quebec?

Hon. Maurice Sauvé (Minister of Forestry): Yes, Mr. Speaker.

Mr. Caouette: Mr. Speaker, has the minister any statement to make to the house, so that we might know where we stand with these authorities?

Mr. Speaker: I must point out to the hon. member that it is not the time to make statements in the house.

Canada Assistance Plan

INCOME TAX

REDUCTION OF CLAIMS FOR CHARITABLE DONATIONS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Minister of Finance.

Could the minister tell us why the receipts for charitable donations which are enclosed with the income tax returns from honest citizens, whether they be for $200, $300 or $400, are now all reduced by half?

Mr. Speaker: That question should be put on the order paper.

[*English*]

VETERANS AFFAIRS

TORONTO—REPORTED AGREEMENT TO SELL SUNNYBROOK HOSPITAL

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a question for the Minister of Veterans Affairs, but perhaps in his absence I may be allowed to direct it to the acting minister. Has the government concluded an agreement with the province of Ontario regarding the sale of Sunnybrook hospital to the University of Toronto? If so, can the minister assure the house that veterans will have permanent priority in respect of admittance to this hospital?

Hon. Léo Cadieux (Acting Minister of Veterans Affairs): I will take this question as notice, Mr. Speaker.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed, from Monday, July 4, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, when the house rose last night I was commenting about repeated statements of previous speakers from our party regarding the need to provide our senior citizens with higher old age pensions to offset at least partially the effects of the ever increasing cost of living.

[Mr. Speaker.]

I stated that in moving for a $100 a month old age security pension the members of the Progressive Conservative party are not advocating something new to that party. An old age security pension of $100 a month was a plank in our platform during the 1965 election campaign. I referred to this campaign commitment during meetings with senior citizens of my riding, and that is why I now speak on their behalf.

Last night I stated that it should be the duty of each of us in this house to express his or her views on the need for higher pensions for senior citizens who are trying to live on the present old age security payment of $75 per month. The hon. member for Waterloo North agreed that our senior citizens are entitled to fair treatment, and stated specifically last night that pensions provided at this time under the Old Age Security Act are insufficient.

The hon. member for Brantford stated that he had been advocating changes in the Old Age Security Act for the benefit of senior citizens without the requirement of a means test, and I should like to quote his exact words as they are recorded at page 7095 of *Hansard* for June 30. He was referring to previous speakers when he said:

> I believe the debate indicated that they had a feeling which is shared all over this house that the means test or even the needs test, which is an improvement over the means test, should not be used with regard to the senior citizens of Canada.

I am sure many other members on the government side would express the same opinion if they should take advantage of the opportunity of speaking during this debate. I heard the hon. member for Essex South express views along this line during a radio interview, and perhaps he will put these same views on *Hansard*.

The records in *Hansard* to date show clearly that we in the Progressive Conservative party have been pressing for a $100 a month pension since this session commenced on January 18. The records also show that the Liberals with Social Credit support have consistently voted against any pension increase. I mention these facts to emphasize the concern of the members of this party for our senior citizens. We believe they should be treated in a more fair manner. Members of the N.D.P. have attempted to take credit for what we in this party have tried to do in respect of this matter, but this party's record in this regard will stand comparison with the record of any other party.

Let me point out that the record of the former C.C.F. government of Saskatchewan does not indicate that that party was above criticism in its treatment of senior citizens. I recall hearing complaints about a strict means test being applied before supplementary payments to old age pensioners were allowed, and those payments in many cases only amounted to a niggardly $2 per month. I am sorry the hon. member for Burnaby-Coquitlam is not in the house at this time to hear these remarks, because he was the leader of that party and the premier of Saskatchewan at that time.

I am speaking in support of a pension increase because I promised to do so in replies I made to many senior citizens in my riding who have written me personal letters or forwarded petitions regarding an increase. I could have brought a whole sheaf of petitions from my file, but I have only brought one or two which I intend to use as examples.

The petition I have in my hand is from the National Pensioners and Senior Citizens Federation and is written over the name of Mr. Nathan W. Medd, president, who lives in Saskatoon, Saskatchewan. I shall not read the resolution, but I wish to point out that the National Pensioners and Senior Citizens Federation reaffirmed their request that the federal government increase the old age security pension to $100 per month.

I know personally many of the people who have written about pension increases as well as many of those who have signed petitions, and I know their needs. I am sure the Prime Minister and the Minister of National Health and Welfare have received similar letters and petitions because I have received copies of some that were sent to those gentlemen. Surely I need not point out to the Prime Minister or the Minister of National Health and Welfare that public opinion has been aroused regarding the need for more consideration for those individuals who helped build our country but who have now passed the income earning stage.

• (3:30 p.m.)

There are reports that the minister will announce some form of income increase to those in their later years who can prove need. It will be interesting to learn just how far our demands of the past few days have induced the government to alter or add to the legislation before us. I join with other speakers in protesting against what the government wishes to call a needs test but which is actually only another name for a means test. Under such a system, as the hon. member for Queens commented, not only must one be poor but one must prove to some official of the state that one is poor.

I have here a petition from the National Pensioners and Senior Citizens Federation which contains the comment: "By changing the word 'means' to 'need' is just eyewash." I have another petition from the Senior Women's Committee for Pension Increase which says: "Senior citizens and families won't tolerate humiliating needs test."

If the government is not moving to increase the old age pension to $100, for which we are pressing, we hope that the means test or the needs test will be removed from Bill C-207. It will be interesting to hear from the Minister of National Health and Welfare in this regard.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I do not wish to take up much of the time of the house on this matter. However, there are two points I should like to bring to the minister's attention which I do not think have been brought to his attention so far in this debate. Before I do so, however, I should like to reiterate the plea made by most members on this side of the house that the minister persuade his colleagues to reconsider this question and provide $100 a month without a means test to the old people of this country who will not benefit under the Canada Pension Plan right away.

The other two items I wish to bring to the minister's attention are these. When regulations are made in connection with this legislation after it eventually passes the house, I hope that particular attention will be paid to the section referring to disabled persons and the disabled persons allowance. This matter has been raised by me many times in the house and by hon. members in various parties, particularly the hon. member for Simcoe North (Mr. Smith). I refer to the existing regulations with respect to the disabled persons allowance.

At the present time a person wishing to receive the disabled persons allowance practically has to have both arms and both legs off. This works a great hardship on many people. I am sure every hon. member in the house has dealt with this problem many times. I suggest to the minister again, and I hope this time he pays some attention to my suggestion, that he persuade his colleagues that employability should be the criterion whether a person should receive the disabled persons

allowance. If people are so disabled and ill that they cannot work for a period of time, let us say six months, they should receive the disabled persons allowance for as long as they are unable to work. If at some time in the future they are able to work, of course the allowance should be discontinued.

At the present time the regulations require that a person be totally and permanently disabled to receive the allowance. Most doctors, probably because they think they will never be in this shape themselves, will not sign a certificate saying that a person is permanently disabled if there is one chance in a million of his getting better. This regulation has worked great hardship on all kinds of people in this country. I hope the government will see that it is changed when the new regulations are promulgated under the act or arrangements are made with the provinces.

The last item I bring to the minister's attention is the question of mothers allowance. Under this legislation the federal government proposes to help pay mothers allowance. I hope that when this measure comes into effect the minister will make certain that some of the regulations that exist in some parts of Canada in this regard are removed. The fact is that if a husband deserts his wife and children the mothers allowance cannot be paid, no matter how much it may be needed by the family, as long as the husband can be found within a certain period of time. If the husband disappears permanently and cannot be found, the wife receives the mothers allowance in respect of her children, but if the husband turns up just once in Timbuktu or somewhere else and is found for just one day the allowance is cut off no matter how practically impossible it is for the mother to receive any assistance from such husband. This is a ridiculous situation. I hope that the minister, when arrangements are made with the provinces or regulations are drawn up under this legislation, will see that this iniquitous situation no longer exists.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have no intention of extending the debate and I am not responsible for its extension until this afternoon, because I had made up my mind not to practise any obstruction against the government regarding the legislation now before us and entitled "Canada Assistance Plan."

The fact remains, nevertheless, that so many things have been said and so many stands have been taken that I can hardly allow the debate to end without saying a few words to explain my position. At the beginning of the session, when the opposition introduced a non-confidence motion against the government with regard to a $100 increase in the monthly pension, I then voted with the government, because I realized it was merely a non-confidence motion which, had it been passed by the house, would probably not have settled the problem of older people. It would simply have embarrassed the government perhaps to the extent of bringing about another election. But at any rate, it would have delayed the passage of this social assistance measure promised by the present government at the time. Along with many others I waited with some anxiety to study the provisions of the bill to be introduced and designed to help needy Canadians.

We now have before us this piece of legislation under the form of Bill No. C-207. I am not suggesting that this bill is perfect, because I know of no party and of no government which have ever passed perfect bills in this house, but I say it is nevertheless a noteworthy effort of good will in spite of the inadequacies of the bill. Following this lengthy discussion which has lasted at least a week, and thanks to the numerous suggestions constructive or otherwise, which have been made, the government will certainly be able to improve this piece of legislation.

I, for one, am satisfied, Mr. Speaker, to see that the government respects the constitutional authority of provinces in the field of assistance to the needy, since it intends to support the provinces in the proportions mentioned in the bill. This is quite satisfactory.

I am satisfied to see that the government not only wishes to help the aged, our senior citizens, the old folks, those who are no longer young, but that it also wants, according to the bill, to help those who are in need in all areas, the unemployed, the disabled, the widows, the needy of all kinds.

I think that those who have been saying for a week that there is nothing in the bill, nothing good, that the bill means nothing, are not being fair. We must understand, Mr. Speaker, that this bill, even though it is not perfect, offers something; it is certainly an improvement on what existed before, and we should at least, instead of dragging on the debate interminably, all say together: Well, let us give that at least to the needy for the time being; let us give it to them as soon as possible, and afterwards, we shall consider improving the situation, which is not perfect.

It is sure that if we accepted the suggestion to give immediately $100 a month to the elderly people this would not settle the problem, because there are many elderly people who need more than $100. This bill provides for some medical care, some related aid which would mean to them more than $100 a month. At any rate, is it really fair to give $100 to those who do not need it and then refuse $125, $130 to those in need? We should wonder about that.

The point that we should consider, Mr. Speaker, and about which the opposition has better justification, is the objection to a needs test. Experience proves that these tests are usually made by incompetent persons, who lack tactfulness and the necessary circumspection; they often take the form of an inquisition, which is humiliating for the needy, who have a legitimate self-respect, and in many cases have to go through certain methods of inquiry which are vexatious and unacceptable.

• (3:40 p.m.)

The main recommendation, I believe, that should be made to the government about this bill is that those who are called upon to come into contact with the needy, the elderly people, widows, unemployed, etc., should follow training courses to learn tactfulness and warmth which should characterize all the actions of social service workers, which is charity or philanthropy in certain cases, but which, in the present case, is a service due to all taxpayers.

A great number of these taxpayers have already paid taxes on considerable amounts to guarantee the efficient application of such acts to the needy, and they are entitled to be treated with due respect. I should like to stress that point Mr. Speaker, and in this respect I endorse the criticism of the opposition. The methods of investigation should certainly be improved upon, as should the methods of all who are in contact with the needy in order to eliminate red tape, police investigations, receipts and all kinds of things that add to the hardship of those unfortunates for whom life has not been overly generous.

Now the fact remains, at least in my province, that the program will be administered by the province. If my province were to decide to pay $100 per month to the elderly persons, to the old people, I cannot see what objection the federal government would have; if my province were to decide to pay $125 per month, I do not believe the federal government would object. So I say that the bill, although it may not seem as generous as the members of the opposition, or most of them, claim, it is opening the door in a generous way.

It was urged since the beginning of the debate that the act should be made to apply uniformly, Mr. Speaker. I hardly think the needy can be taken care of in a uniform manner in Canada, because the needs are not the same. At this point I repeat what I said a while ago: to give $100 or $150 to an elderly person who does not need it is too much; yet giving $125 to a senior citizen who needs $150 is too little.

The opposition, Mr. Speaker, claimed that it was not resorting to what the Americans call a filibuster. The claim was made sometimes with a tongue-in-the-cheek attitude. Sitting in this far corner as an independent, Mr. Speaker, the impression I get is that several members have taken the opportunity of this debate for some electioneering, and that is the impression that is gathered here. All sides of the house claimed not to be playing politics, I think. But I feel there has been too much politicking going on, while the contrary was being claimed, at the expense of the old people and of the needy. I do not think this is proper. I do not say that to blame all those who took part in the debate, but simply because I have enough respect for my colleagues to know that they are all aware of their responsibilities toward the Canadian people and particularly toward this least favoured class of Canadians. I say that to appeal precisely to their conscience as Canadians. Even if they have temporarily stilled it to satisfy certain electoral interests, the debate nevertheless should not be prolonged in this tone; on the contrary,we should remember that the poor are waiting for a bill.

The present bill may not be perfect, but it nevertheless represents something. Even if it is not perfect, let us pass it as soon as possible and try to pass others to remedy the situation within as short a time as possible. We will pass other bills sooner if we do not prolong debates in the house indefinitely.

Mr. Speaker, it is easy to use subjects such as this one to criticize the government. It is always easy, as a member of the opposition and as an independent member, to tell the government that it does not do enough: $100 is not enough, $125 is not enough. As an independent member I know that I will have nothing to administer tomorrow and no responsibility with regard to the national

budget, and I could very well tell the government that it should give old people $200, and then find people in my riding who would say that I am generous towards them. But this generosity would entail no responsibility. One should keep a sense of proportion and administrative responsibility.

It would be easy for me in my position to criticize all those who opposed the bill and say that they only did so for electoral purposes. I think too many did that; but I believe there are many left who were aware of the needs of the poor and I think the government would be wise to hear the demands of those who made objective, positive and realistic representations.

Let us say to ourselves, for the time being, Mr. Speaker, and I believe it is the fairest way to put it—and you must admit I listened to everybody before rising to speak—that the bill as introduced by the government is a very elaborate one, representing a considerable improvement, compared with the present situation.

Countless poverty-stricken or underprivileged people in this country are waiting for those benefits. Let us put a stop to our endless debates, let us pass it as fast as possible and, if it is not perfect, we shall press the government to introduce further measures in order to improve the situation.

The government must remember that in the final analysis the stumbling block of all those measures intended to assist the underprivileged, the needy, is the manner in which the bounties of the nation are distributed among them, the way investigations are made; those are the things that should certainly be improved, humanized and made less vexatious.

Personally, although I know my province simply wants to be given back 100 per cent of the revenue sources and to administer freely all those programs, although I hope there will eventually be an agreement between my province and the federal government to that effect, I say that for the time being, things being what they are, this is a good and thoroughly acceptable bill and, for my part, I intend to support it by every possible means.

[*English*]

Mr. E. Nasserden (Rosthern): It is with some sense of humility, Mr. Speaker, that I take part in this debate.

Some hon. Members: Oh, oh.

Mr. Nasserden: After listening to the ohs and ahs from across the way I cannot not help but wonder how many hon. members opposite have asked themselves at one time or another how near or how far they are from being in the situation in which so many of the people of our country find themselves today. I believe this is one of the most important bills to come before parliament and I do not believe it is a matter with which we should deal lightly or which we should filibuster. However, I think the remarks of hon. members should be heard on this subject.

First of all, I wish to congratulate the minister on the empire building in which he has indulged to a certain extent in bringing the various segments of the welfare program under one department. This enhances the department and gives him a little more power than he might otherwise have. At the same time it adds to the administrative welfare of the government and therefore I think it serves a worth-while purpose.

I know a great deal has been said about the plight of the old age pensioners in Canada at the present time and about the reluctance of the government to do anything for them. I recall that when this question was before the House of Commons not so many months ago the minister concerned indicated that increases in old age pensions would forthwith be tied to increases in the cost of living index. Somehow along the way, Mr. Speaker, the government or parliament or all of us have forgotten what the government said at that particular time and there has been no substantial increase in the pension as a result of that statement.

• (3:50 p.m.)

I want to draw to the attention of the minister something that has happened for which the present government is not alone responsible. It results from the regulations drawn up with regard to supplementary allowances for old age assistance. A number of cases have come to my attention in which the income of these people was estimated with the help of people from various provincial departments. These people were put on supplementary allowance. After the end of the year, when their income totals were completed, it was found that in some cases the income was $12 above the allowance set. The department has ruled that the entire supplementary allowance must be recouped out of the ordinary pension payments. However, this money has been spent by the individuals concerned. I say to the minister that this works a real hardship on individuals, particularly when the income is so close to the line.

As I look at this bill and recall the election campaign I am reminded of the references to the war on poverty. I say to the minister that if this bill is to be the answer in that regard, then it falls short of the need that exists in our country today. Perhaps it will partially meet some of the problems, and the bringing together of the various welfare programs will make for greater efficiency of operation.

In so far as the old age pension is concerned, I recall that not only was the figure of $105 mentioned but also $125. There were some enthusiastic members of the party opposite who referred to the Canada Pension Plan during the election campaign and stated that the over-all effect would be to give the aged in our country something like $270 per month. This is something that should be borne in mind at this time when this measure is under consideration. All of this may have some element of politics within it.

The second factor that faces our elderly people today is the fact that the cost of living has increased as it has never increased before in the history of our country. They are faced with higher costs for lodging, milk, bread, clothing and almost everything they buy. These factors are the important ones in so far as parliament is concerned when it comes to the consideration of the welfare of these people who have gone through the pioneering era of our country. When you consider that there has been an 8 per cent increase in the cost of living during the last six months you find this puts an altogether different complexion on the adequacy of $75 per month.

I am surprised, sir, that this minister, representing a government whose leader has been stated to be a man who cares, should have been so slow to meet the needs of our senior citizens, so reluctant to bring forward tangible evidence of their good faith in the light of their promises during the recent election campaign.

The Acting Speaker (Mr. Rinfret): Order. May I remind hon. members that if the minister speaks now he will close the debate.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in rising to wind up the debate on second reading of Bill No. C-207 I wish, first of all, to remind the house of the enthusiastic response which the resolution preceding this bill received from hon. members. This enthusiastic support of the legislation took place at a time when the principle of the bill and the provisions of the bill were being considered on their inherent value by hon. gentlemen opposite. This attitude continued until the hon. member for Winnipeg North Centre (Mr. Knowles) intervened with an amendment which was ruled out of order and about which I shall say more in the course of my remarks.

The hon. member for Simcoe East (Mr. Rynard) described the Canada Assistance Plan in the following words: "The plan before us is a good plan." The hon. member for Grey-Bruce (Mr. Winkler) stated that this proposal is a reasonably wise one and the sooner it is put into operation the better because it will be of benefit to the recipients. The hon. member for Portage-Neepawa (Mr. Enns), whose words in this debate have more significance than those of any other hon. member because of his experience in this particular field, made this statement:

> —as a statement of intent, this resolution will commend itself readily to members of the house and all Canadians. . . . This measure can be an exciting, revolutionary step, perhaps the most revolutionary among the whole group of public welfare acts . . . The Canada Assistance Plan, if utilized responsibly and generously across Canada, will mean a long stride toward goals which welfare agencies have coveted for Canadian families.

The hon. member for Brandon-Souris (Mr. Dinsdale) says that this measure is an attempt to fill the gaps that have been left by existing plans. The hon. member for Saskatoon (Mr. Brand) states:

> I sincerely hope . . . that the idea will be to provide rehabilitation if at all possible as the prime concern of this proposed plan, because I think it is so much more important to human dignity to give people the opportunity to fend for themselves and to provide for themselves.

Finally, the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) described it as a brilliant statement of intentions. Even in the pre-amendment phase, the pre-political phase of this debate, the hon. member for Winnipeg North Centre told the house that it was most encouraging to learn there had been a wide measure of federal-provincial co-operation, which was very much to be commended, and that the federal government was prepared to share financially in a number of programs in which to this point there had been no federal-provincial participation. He said that when we weld together these programs and have federal-provincial co-operation, federal-provincial participation, the better it will be for all concerned. The hon. member for Winnipeg North Centre stated, "I welcome that progress".

This measure might well draw these comments from hon. members opposite in the pre-amendment phase of the debate because the measure, on its merits and because of its provisions, deserves separate treatment and separate decision of the house. The Canada Assistance Plan, as has already been stated, will provide a basis for co-ordinating all public assistance programs in Canada. It will, over a period of time, replace existing categorical programs and enable federal and provincial governments to provide assistance to needy persons regardless of the cause of need. The plan will provide federal sharing for the first time in mothers' allowance programs covering 200,000 needy mothers with dependent children, and make it possible for these mothers and their children to receive assistance on the basis of need and on the basis of the family budget. Hardly a word was said in the debate with respect to this aspect of the Canada Assistance Plan.

• (4:00 p.m.)

The plan will provide federal support for the strengthening of the administration of, and the welfare services related to, social assistance programs. If the plan did not have the capacity to improve administration and to provide proper and qualified welfare services, then some of the comments made by members opposite would have validity.

The plan provides for federal aid for buttressing child and youth welfare agencies. For example, in the field of child and youth services, 50,000 children in the care of child welfare authorities in Canada will receive assistance under this plan.

In addition, Mr. Speaker, all the recipients of public assistance will for the first time have their health care costs met on this basis. There is no federal ceiling on the benefits under the new program, and the federal government stands ready to share with the provinces, on the basis of need, not only in the new categories or new groups which I have already mentioned but also in the improvement of the level of benefits now being paid to the recipients of old age assistance numbering 85,000, the blind numbering 8,000 and the disabled numbering 55,000.

Several hon. gentlemen opposite referred to the severe medical tests under the disability act. Through the Canada Assistance Plan any person who is disabled for any reason by disablement of any kind and to any extent will be able to be assisted without having to meet the severity of the medical test which has been so widely condemned by hon. members opposite.

[Mr. MacEachen.]

The new cost to the federal treasury in this year will be $85 million. The total federal outlays in this fiscal year, 1966-67, will be $250 million and the total commitment by federal and provincial governments will be $500 million, affecting one million people who are to be covered under this program. In terms of the size of the expenditure involved and from the number of Canadians to be assisted, this program is to be a very substantial program indeed.

It has been suggested that the Canada Assistance Plan is only a tidying-up operation. It is true, as the hon. member for Perth (Mr. Monteith) pointed out, that it will bring together existing programs, we hope and give them a comprehensive foundation. But it is more than that. It attempts successfully to deal with the causes and effects of poverty.

The hon. member for Simcoe East (Mr. Rynard) pointed out the necessity for breaking the dependency cycle of families who, from one generation to another, are dependent on public welfare. You can dish out, Mr. Speaker, as much money as you like but this in itself will not break the dependency cycle; more than that is needed. The recipients of public assistance must be given a real chance to get off welfare, to break the dependency cycle, and because the Canada Assistance Plan lays the foundation to do this it is an important milestone in the history of public welfare in Canada.

The preventive and rehabilitative aspect of the Canada Assistance Plan is its positive aspect, and this has hardly been mentioned in this debate which has gone on for so many days. Hardly a mention has been made of the welfare services that will be available to recipients of public assistance, including counselling and training of various kinds, to help to solve these difficult personal problems that keep people on welfare.

Hardly a mention has been made of the work activity projects that will be supported under this plan, giving the opportunity to disadvantaged persons to resume gainful emorientation, or to those who are handicapped ployment on the labour market through reto be able to do something to become part of the productive population in Canada.

There has been hardly a mention in this long debate of the possibility under the Canada Assistance Plan of reaching agreements with the provinces by which the Indian population of Canada will be given an opportunity, in so far as welfare is concerned, to be treated as other Canadian citizens.

Understandably, hon. members have spoken a great deal about the needs test and the means test, and only one who has listened to every speech, as I have done, can appreciate the extent of the contradictory assessments made by hon. members of these two concepts.

Yesterday the hon. member for Cumberland (Mr. Coates) said that there was no difference between a needs test and a means test and he roundly condemned them both. On two occasions the hon. member for Danforth (Mr. Scott) repeated the same claim and condemned both concepts as being unworthy of any place in a public assistance program.

Mr. Winkler: Would the minister permit a question? Does he know that one of his own supporters made a similar statement on Sunday in a nation-wide broadcast?

Mr. MacEachen: No, Mr. Speaker, I was not aware of that particular occurrence. However, the hon. member for Portage-Neepawa (Mr. Enns), for example, extolled the needs test over the means test, saying that it provides all those things which contribute to the social usefulness of the citizen, and these are included in definitions of need.

The hon. member for Brandon-Souris (Mr. Dinsdale), who knows something about this field from personal experience, made this comment, as reported at page 6423 of *Hansard* for June 14:

> My hon. friends in the N.D.P. seem to take great exception to this phrase a needs test, and are apparently equating it with a means test, which deals entirely with financial criteria.

He went on to say:

> —the needs test is an attempt to deal with total needs . . . of the person requiring this sort of assistance but also the cultural, psychological and even the spiritual needs.

Even I, Mr. Speaker, as the minister introducing the Canada Assistance Plan did not make that claim for the bill.

Then in the pre-amendment phase of the debate, the phase when the provisions of the bill were being discussed on their merits, the hon. member for Winnipeg North Centre made this comment, as reported at page 6414 of *Hansard* for June 14:

> Sometimes people wonder whether a change of name makes for any real difference, but in the field of social work it does make a difference. A needs test is more humane and more realistic than a means test . . . to move from a means test to a more advanced approach, namely the needs test.

• (4:10 p.m.)

So these are the words used to describe the needs test by the hon. member for Winnipeg North Centre: "A more advanced approach; more humane and more realistic."

There was a day in this house, Mr. Speaker, when hon. members heard supporters of the New Democratic Party asking and beseeching the government of the day to apply the needs test to the public assistance program of this country. I refer to the point of view expressed by the hon. member for Kootenay West (Mr. Herridge) who in this house quoted with approval a statement by the Canadian Welfare Council, advocating a program of social security in Canada based on need rather than means. The Canadian Welfare Council urged that categorical programs such as blind and disabled pensions and old age assistance be put on the same basis as unemployment assistance which used the needs test criteria. These are the words proclaimed by the hon. member for Kootenay West. "We in this group say amen to that statement of principle."

Mr. Knowles: Is that your way of filling a spiritual need?

Mr. MacEachen: Indeed, the first member of the New Democratic Party to be elected to this house advocated very early in his stay in the house that programs using the concept of need ought to be applied in Canada. So it is no wonder that those of us who have been working on the development of the Canada Assistance Plan felt that there was a broad basis of support for this concept in every political party, in every part of the house, judging by the statements made in this debate and earlier.

The fact is that the concept of the needs test has been either misunderstood or distorted in the debate. Naturally it is the objective of our other programs, of which we have a variety in Canada, including the Canada Pension Plan, and unemployment insurance, to reduce the area of dependency on public assistance. We are attempting to do that and will continue to do that, but there will be a need for a sound, humane program of public assistance in Canada if we are really serious about dealing with the causes and effects of poverty in this country.

The hon. member for York South (Mr. Lewis) in the most serious speech given from his group said that there were no standards in the Canada Assistance Plan. Well, that is

wrong because the bill itself provides that the basic requirements of recipients, including food, clothing, shelter, fuel, utilities, household supplies and personal requirements, must be met under the operation of this plan. Provinces must agree, under the agreement to be signed, to meet these basic requirements of individuals and provide them with adequate assistance to meet their needs. That is the standard.

Mr. Lewis: Would the minister permit a question? I read, of course, the items which the minister has just stated. But would he indicate what standards are to be applied to those items? What are the standards of need that the provinces are to apply to those items which obviously make up anyone's living?

Mr. MacEachen: Mr. Speaker, the standard is that through agreements the provinces will sign with the federal government the basic requirements of persons in need, including the items which I have mentioned, must be met in an adequate manner. That is the standard.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Would the minister define the word "adequate"?

Mr. MacEachen: I had hoped to deal with that point a little later. The provinces will agree to meet these basic requirements. That is the first standard. There is also a further standard, namely, that no residence requirements will be required in the administration of this program in any province. Finally, any person will be able through an appeal machinery, something that has not been provided hitherto, to ensure that his proper rights will be met under this proposal.

The hon. member for York South said—and this was repeated by almost every other speaker after the amendment was moved —that the needs test was inhuman, inquisitorial and degrading. "It is humiliating; it will bring the public to their knees." Those were the words used by the hon. member for Burnaby-Coquitlam (Mr. Douglas). "It will bring the public to their knees". Imagine these words from a provincial premier who for 18 years administered means test programs in his own province—

Some hon. Members: Hear, hear.

Mr. MacEachen:—who later structured his own public assistance programs during his tenure of office and failed to eliminate the means test, who, according to my investigations, never made a request to any federal-provincial conference asking that the means test be removed from these programs which he as the head of that government administered. Yet in this debate when he is discussing this bill he calls the means test an affront to human dignity, humiliating, degrading, and says it will bring the population of Canada to their knees. No wonder at times people on this side of the house use the word "hypocrisy".

Some hon. Members: Hear, hear.

Mr. Knowles: Would the hon. minister permit a question?

Some hon. Members: Oh, oh.

Mr. MacEachen: Mr. Speaker—

Mr. Knowles: Would the hon. minister permit a question?

Some hon. Members: Oh, oh.

Mr. MacEachen: —much has been said in the debate—

Mr. Knowles: Would the hon. minister permit a question?

Mr. MacEachen: —about the indignities of the means test.

An hon. Member: Does the shoe fit, Stan?

Mr. MacEachen: It was pictured by some hon. members as—

Mr. Knowles: Would the hon. minister permit a question?

The Acting Speaker (Mr. Rinfret): The hon. member for Winnipeg North Centre on a question.

Mr. Knowles: In view of the references the minister has made to the administration of Saskatchewan by the present member for Burnaby-Coquitlam, can the minister tell me whether at any time the hon. member for Burnaby-Coquitlam introduced in Saskatchewan a means or a needs test in any area where there was not already one in existence?

Some hon. Members: Oh, oh.

Mr. Starr: He condoned it.

Mr. MacEachen: I believe I stated, Mr. Speaker, that he introduced a means test in legislation when he could have brought in legislation on his own volition without a means test and had the liberty to do so.

Mr. Knowles: The minister has not answered my question.

An hon. Member: Sit down.

Mr. Knowles: I asked whether the hon. member for Burnaby-Coquitlam introduced a means test in any area where one did not exist, as the minister is doing in the old age pension area?

An hon. Member: Sit down.

Mr. MacEachen: Well, Mr. Speaker, I am arguing this particular point and I am referring to the stand taken by the hon. member for Burnaby-Coquitlam who spoke with such indignation and evangelical fervor in condemning the minister and the government for bringing the Canadian public to their knees. I am reminding the house to judge those comments on the basis of the same hon. gentleman's performance in administering these programs when he was premier of a province.

Mr. Starr: For 17 years.

• (4:20 p.m.)

Mr. MacEachen: This is my only point. The idea has been put forward in this debate that the needs test is some sort of bargaining contest between the recipient of public welfare or public assistance and the welfare worker. I agree that in the past this attitude toward public assistance may have prevailed. But I am satisfied that with the improvement in the administration of welfare, and the provision of more trained and qualified staff, this attitude will go by the board under the Canada Assistance Plan.

I was somewhat amazed that certain members in this house who portray themselves as great humanitarians, suggesting that if they had administrative control over this plan they would apply it humanely, should intimate that all ten provincial administrations, no matter what their political stripe, were made up of inhuman Scrooges who would bring the public to their knees in the administration of this plan. I do not agree with that at all. I believe there is in every provincial administration a sentiment as strong as it is in this house in favour of assisting these disadvantaged groups which are to be helped by the Canada Assistance Plan.

A typical situation arises from the use of budget standards normally set out in provincial regulations based on budget studies. These studies indicate amounts necessary for the various items of food, clothing, hospital supplies and personal needs of people who require assistance. The amounts in those tables are generally schedules derived from budget studies, a method which the hon. member for York South described yesterday as being sensible. The amounts derived from these studies are granted automatically. Frequently they are combined in a single item granted automatically. Additional amounts can be and have been paid to cover such important variables as shelter, fuel, utilities and special needs.

There are many examples in Canada of the needs test being administered efficiently with a minimum of detailed interrogation or investigation while achieving its central purpose of meeting the real needs of the individuals and families affected in addition to providing the necessary supporting welfare services—and this is even more important under the new regime and dispensation—which will rehabilitate these families and individuals and help them remove themselves from a state of dependency.

May I turn now to the unfolding parliamentary situation with regard to the Canada Assistance Plan? During the debate on the resolution stage of this legislation I had occasion to compliment hon. members on the constructive and non-partisan comments and suggestions they had made about this proposed measure. I regret, though I do not complain about it, that this commendable attitude has not been in evidence on second reading, all the more so because tactics of partisan sniping and procedural sabotage have been introduced into the debate by a section of the house which has come to regard itself as the custodian and repository of all that is good in parliament.

Some hon. Members: Oh, oh.

Mr. MacEachen: During the debate on the resolution the hon. member for Winnipeg North Centre described this plan as humane, realistic and advanced. He welcomed the progress which is being made. However, the hon. member appears to have undergone some mental or temperamental metamorphosis during the period between the debate on the resolution and second reading.

Suddenly the legislation has become a retrograde step and the humane and realistic proposal to pay benefits on the basis of need has become something involving merely a change of name, the same old means test dressed up a bit. That was the change which

took place between the resolution stage and the second reading. By Tuesday last the hon. member's metamorphosis had proceeded to a point at which he could rise in the house and resort to a procedural device in an attempt to kill the Canada Assistance Plan.

Some hon. Members: Oh.

Mr. MacEachen: The hon. member has tried—

Mr. Knowles: I rise on a point of order. There is a rule in this house that one cannot impute motives. One has to take an hon. member at his word when he makes a statement. I made it clear that it was not, and never has been, my purpose to kill the Canada Assistance Plan.

Some hon. Members: Oh.

Mr. Knowles: I made it clear in a statement stronger than the minister has made that there are parts of the measure which are good and which I welcome. For him to criticize my amendment as an attempt to kill the Canada Assistance Plan is a distortion unworthy of the hon. gentleman.

Mr. MacEachen: As I anticipated, the hon. member is continuing to disguise this effort under a cloud of pontifical verbiage. He has been in the house long enough and is sufficiently an expert on the procedure of parliament to know that no one moves an amendment on second reading, particularly an amendment of the kind he sponsored, without it having the express and calculated effect, if carried, of killing the legislation before the house.

Some hon. Members: Hear, hear.

Mr. MacEachen: If the hon. member says he did not intend to do it, that was not what I had in mind. If his effort had succeeded the bill would have been killed. That would inevitably have been the result. And the records of this house would show that he and his group—I was about to say "deliberately" but I will say "unwittingly"—sought to exterminate a measure which has been supported by all ten provinces, by the Canadian Welfare Council and by the Canadian Labour Congress as constituting a major advance in the field of social welfare.

Some hon. Members: Hear, hear.

Mr. MacEachen: The hon. member purports to like the legislation while at the same time he recoils at the prospect of its passage. The measure is a good one, but he undertook a procedural program which, if successful, would have killed the Canada Assistance Plan. Mr. Speaker, if that amendment had been ruled in order and had been carried, the Canada Assistance Plan would be dead.

Some hon. Members: Shame.

Mr. Knowles: On a point of order, Mr. Speaker, I should like to comment on the substance of what the minister has said but I shall not attempt to do so. Is it in order that this discussion should continue with respect to the point of order on which the Chair ruled on June 29.

Mr. Speaker: I think the point is well taken. I am sure the minister would wish to return to the consideration of the bill which is now before the house.

An hon. Member: Can't take it.

• (4:30 p.m.)

Mr. MacEachen: Mr. Speaker, I accept your ruling. I will turn merely to one other point made by the hon. member for Winnipeg North Centre when he referred to a statement which I had used in introducing the second reading of the bill. I had referred to a quotation from the memorandum of the Canadian Labour Congress to the government. He pointed out that I had used a paragraph and had failed to complete the record because there was something else there. I should like to explain the situation. I was introducing the second reading of the Canada Assistance Plan, not the Old Age Security Act. The reference to which my hon. friend referred and which he accused me of failing to include was a reference to the Old Age Security Act. I repeat what I stated on that occasion as a statement from the memorandum to the government from the Canadian Labour Congress with regard to the Canada Assistance Plan:

> We welcome the advent of the Canada Assistance Plan. We consider it to be an improvement over the categorical assistance programs now in effect. We agree that the change from a means to a needs-tested benefit, however subtle the difference may seem, will provide greater opportunities to provide an adequate benefit to those who will require assistance. We commend you for your decision to share with the provinces in the costs of allowances for needy mothers and medical care for the indigent, as well as the cost of improving administrative standards and of strengthening those rehabilitative services which will help to restore social assistance beneficiaries to a position where they are self-supporting.

As my hon. friend points out, if it is a matter of substance I failed to mention the suggestion that there be a sliding scale of benefit in the Canada Assistance Plan. With that qualification the statement which I have read is a true and accurate reflection of the measure by the Canadian Labour Congress which the hon. member for York South (Mr. Lewis) described as a measure having little or no social thinking in it.

These are some of the points I wished to make in the course of the debate as I listened to the debate unfold. For a moment before my time expires I should like to pay some attention to my friend the right hon. Leader of the Opposition (Mr. Diefenbaker). The right hon. Leader of the Opposition had a great deal to say about the position the government has taken on this old age proposition. He accused us of adamantly ignoring the issue until recent days and asked why the sudden solicitude, why the newly cultivated interest on the part of the government and the minister in the old age pensioners of Canada.

Well, Mr. Speaker, the achievements of this government in helping the aged have already been placed on the record. The increase in the flat rate pension, the lowering of the eligibility age to 65 by 1970, the Canada Pension Plan, the measures embodied in the bill now before the house as well as our medicare proposals all have and will have a profound impact on the sense of security of our senior citizens. I suggest that this is a record of interest and concern for the pensioners of Canada which compares favourably with that of any previous government including the government headed by my right hon. friend. I should also like to tell him that his charge that there was an over-night change of heart by this government was unconvincing.

I should like to remind the right hon. gentleman that as far back as March 2 at a public speech in Regina, copies of which have been circulated, I pointed out quite clearly and unequivocally the need for additional assistance—

Mr. Speaker: Order, please. I have to interrupt the hon. minister because his time has expired.

Some hon. Members: Finish.

Mr. Speaker: Has the minister the consent of the house to continue?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I thank hon. members for their agreement. I have been waiting for it since last Wednesday.

Mr. Lewis: We are all waiting for an announcement.

Mr. MacEachen: I was reminding the right hon. Leader of the Opposition that in March at Regina I pointed out quite clearly and unequivocally the need for additional assistance for older Canadians covered only in part or not at all by the Canada Pension Plan. I should like to quote from that speech merely to put it on the record. I stated as follows:

> These people will still be eligible for the flat-rate $75 a month universal pension but clearly this is not enough, or will not be enough, for many of them to live adequately and decently. What is the most practical and effective form of income maintenance for such older persons?

I then went on to examine some of the suggested approaches to this problem and said that various proposals were being examined by my department. I would note that in my statement on the adjournment motion on June 7, page 6123 of *Hansard,* I reiterated this government's intention to provide additional support for pensioners who are not able to take full advantage of the Canada Pension Plan. I was discussing this matter I believe in reply to a question raised by the hon. member for Winnipeg North Centre. I stated as follows:

> I want to tell my hon. friend that this in a sense is the key problem in rounding out or adding to the support for the senior citizens—

I was referring to those senior citizens who will not benefit fully from the Canada Pension Plan. I went on to say:

> Since I have taken over this job I have certainly been grappling with the most effective plan that can meet the problems and the needs of this particular body of people, and this plan—

To which I was referring and with which I was grappling on June 6.

> —will be appropriately integrated with the Canada Pension Plan and the Canada Assistance Plan.

So I wonder how anyone can properly say there has been an over-night or sudden solicitude or change in interest.

• (4:40 p.m.)

Again, on June 14 during the adjournment debate I stated that the interest of the government in this problem will be demonstrated as we develop further programs of support for Canada's older citizens. All the statements had to do with the question of providing a

further program of additional support for Canada's old age pensioners. To any ordinary mind, uncluttered with partisan driftwood, they spell out quite clearly that the government is prepared to accept its responsibility in this field and to do something more for these people who are and will be primarily dependent on the flat rate $75 per month payment. Indeed, Mr. Speaker, I had in mind earlier in this debate to respond to invitations made by the hon. member for Comox-Alberni (Mr. Barnett) and the hon. member for Grey-Bruce (Mr. Winkler) to make a statement in this regard. But in the light of developments since then, and because of the importance which I attach to the Canada Assistance Plan, I consider it at this moment my duty and responsibility to seek a clear decision on this bill and its provisions aside and apart from any other consideration.

Some hon. Members: Hear, hear.

Mr. MacEachen: There are other considerations to which I have been referring and they are important but, as I say, I believe it to be my duty as the minister responsible for developing this bill to seek a clear decision on this legislation and its provisions. All who participated in developing this plan, including provincial governments and welfare authorities, are entitled to have it judged on its own merits. They are entitled to have it accepted or rejected on its own merits rather than by bringing in, no matter how important, any other subject as a basis for removing that opportunity of deciding on the merits of this bill.

It is true that the positive and constructive features of the Canada Assistance Plan have been buried in a long avalanche of vindictiveness and distortion. No person would disagree with that analysis of what has happened. I suggest that this legislation is in fact a realistic and serious attempt to meet the needs in this country of disadvantaged groups including the blind, the disabled, the unemployed, the aged and mothers of dependent children.

I feel beyond any doubt, Mr. Speaker, that this measure before us will bring new hope and the prospects of a more rewarding life to a considerable number of people in this country. This is a view that is shared by governments of all political complexions in this country and by those who are concerned with and involved in the problems of social welfare. I want to know whether this house shares this view, and that is why the Canada Assistance Plan must be dealt with on its own two feet. To paraphrase the memorable words of the Leader of the Opposition, you ask where we stand, I want to know where you stand.

Some hon. Members: Hear, hear.

Mr. MacEachen: The Canada Assistance Plan deserves to be given its own distinct treatment and to have each of its features judged on its own merits in order to have its beneficiaries, numbering a million people, treated as free citizens entitled to separate consideration by this house, along with other deserving persons including senior citizens.

I do not dispute the high-mindedness of hon. members' purposes or the sincerity of their motives. It is not for me to question the accuracy of their claims, but it is certainly open to me to point out the varying routes by which they come to these sometimes opposite self-assessments, and especially their assessments of this bill.

The hon. member for Winnipeg North Centre welcomes the removal of the means test provided for by this program while the hon. member for Danforth throws up both hands in horror. The hon. member for Portage-Neepawa holds out high hopes for the plan while his esteemed leader labels it a "charade of hypocrisy". The hon. member for Greenwood (Mr. Brewin) is prepared to accept, sight unseen and sound unheard, the constitutional tenets of his party's Quebec leader while the hon. members for Vancouver-Kingsway (Mrs. MacInnis) and York South (Mr. Lewis) are almost embarrassingly enthusiastic in their espousals of what I am sure would be heretical nonsense to the N.D.P. co-leader in Quebec.

Some hon. Members: Hear, hear.

Mr. MacEachen: What this house is now considering is the Canada Assistance Plan, a measure which has received the endorsation of Canada's ten provincial governments, of the Canadian Labour Congress and the country's leading social welfare organizations. An amendment having to do with old age pensions was ruled out of order earlier in this debate on the ground that it was irrelevant. It is not unfair to suggest that most of the subsequent debate falls in the same category. The Canada Assistance Plan must stand on its own feet. It must be judged on its own merits and members must now make their decision solely on the individual provisions of this legislation and not on issues which lie outside the scope and jurisdiction of this bill.

The old age pension question is another, distinct issue, and I can assure hon. members that it will be dealt with in another and more appropriate context and, I would add with equal assurance, within a very short time.

Some hon. Members: Hear, hear.

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

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

And more than five members having risen:

Mr. Speaker: Order, please. The motion has been carried.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

The Chairman: Order. House in committee of the whole on Bill C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

On clause 2—*Definitions.*

Mr. Knowles: Mr. Chairman, clause 2 has in it a good many definitions and in fact covers the whole range of Bill C-207. I should like, therefore, in my first words on this clause to say that I am delighted that the House of Commons has supported Bill C-207 unanimously. It appears that there was not a single "nay" anywhere so that it was not even possible for the government to force a recorded vote. I want to say to the Minister of National Health and Welfare, despite the things he just said in the speech he made on second reading, that I still think the Canada Assistance Plan with respect to what it does is a good piece of legislation.

• (4:50 p.m.)

Some hon. Members: Oh, oh.

Mr. Knowles: I said so very clearly when we were debating the matter at the resolution stage. I said so with equal clarity when we were on second reading.

Some hon. Members: Order.

Mr. Knowles: As a matter of fact, the Minister of National Health and Welfare found in statements that I made on second reading—

Mr. Grafftey: Order.

Mr. Knowles: —a clearer and more ringing endorsation of this bill than he had uttered himself. But there are some things the minister has said to which attention should be drawn.

Mr. Grafftey: Not at committee stage.

Mr. Knowles: Mr. Chairman, my hon. friends are shouting "order". The whole legislation is before us and my hon. friends might as well save their breath as to shouts of "order" at this point. We are in committee of the whole and what is relevant to clause 2 is now before us. Clause 2 contains all the definitions that relate to the Canada Assistance Plan. The whole of this piece of legislation is in effect before us in the very wording of clause 2. It includes, amongst other things, a reference to the needs test.

I want to say to the Minister of National Health and Welfare that even though he was waxing eloquent in his rhetorical flight he should not have distorted what I said about the needs test. I said it clearly on two occasions. I said that the needs test is an improvement on the means test. I said I was glad to see that where we now have means testing we are making the forward step of moving to needs testing. When I made very clear my approval of the needs test as better than a means test where there is now a means test, it did not mean that I approve of a needs test being established where there is not now a test of any kind. My complaint with regard to Bill C-207, and it is right here in clause 2 of the bill now before us, is that a needs test is being introduced for persons in the old age security bracket. These people are having a needs test put on where they now do not have a means test or any test whatsoever. It is about this that we complain. It is against this that most of the speeches on this side in the last few days have been directed.

I remind the Minister of National Health and Welfare that when I spoke the second time on this question I asked him to be fair and not to misquote what I said on a previous occasion. But he chose to misquote it and interpret my approval of a needs test as better than a means test as meaning that I accept a needs test any place at all. I say again so that anyone other than the minister, I am sure, can understand it, that where we now have a means test it is good to have an improvement and have the needs test put in its place. But it is still a retrograde step, for which this parliament should hang its head in

shame, that in the terms of clause 2 of this bill we are introducing a test in an area where we now do not have one.

The parliament of Canada in 1951 took one of the most advanced steps it has ever taken in the field of social legislation by passing an act that removed the means test for persons 70 years of age and over. Only a few months ago the parliament of Canada extended this progressive step by making provision for the means test to be removed year by year right down to the age of 65. It was a good step when we took it in 1951. It was a good step when we took it last year. But what the minister is asking parliament to do now is to take the retrograde step of putting a needs test in where there is no test of any kind at the present time.

My statement, the statements of my colleagues and the statements of members in other parties that this is a retrograde step, that this is an affront to the dignity of our senior citizens, is one that stands up in light of the speech the minister has made. He has invited us to argue this point and I hope we can yet persuade him that whatever the parliament of Canada proposes to do for our older people should be done without a means test or a needs test of any kind.

Clause 2, as I say, covers all the various definitions including that of need, and it includes the word "age", making it clear that at the moment this is what the government of Canada is proposing to do for our aged people, namely, give them only the benefits that are in this bill. Therefore it seemed to me that it was not only appropriate for members of the House of Commons to argue that something better should be done for our senior citizens than was provided in this legislation, but I think it was appropriate for the minister to tell us on several occasions that if we would just let the debate on second reading end he would respond to those suggestions and tell us what the government was going to do for senior citizens. Not only did he tell us that in the house, not only was this his answer and the Prime Minister's answer when we asked for a statement on motions, but in ways this government has the information was leaked out that if only the debate on second reading would come to an end the minister would make a statement telling us the government's intentions with respect to the recipients of old age security.

But now the minister, having finished his statement, decides to get on his high horse and he says he is not going to give us this information at the present time. I submit that the Minister of National Health and Welfare misled the house and misled the country by telling us that this statement was going to be made when he concluded the debate on second reading and then standing up this afternoon and refusing to make that statement.

I told the minister when we were at the resolution stage that it struck me the reason he was not telling us then what was going to be done for the senior citizens was that he was ashamed of it. I suggest that the same reason probably applies now, that he is not prepared to tell us what the government proposes to do later at some time for the recipients of old age security because he knows it will not stand up to the standards that have been established during the course of this debate. He knows it will not stand up to what the Canadian people expect.

I have been in this house a little bit longer than he has. I am a little bit older, and I can tell him—

The Chairman: Order. I must say to the hon. member for Winnipeg North Centre that the Chair is having some difficulty in relating the remarks he is now making to clause 2 of the bill.

Mr. Knowles: Mr. Chairman, if you look at clause 2 (g) on page 3 of the bill you will find a definition of "person in need". It is a lengthy one and I do not think I need read it all, but it includes the various reasons on the basis of which persons may receive assistance under this act, and one of them is age. I suggest, Mr. Chairman, that age is definitely before us as one of the matters with which this piece of legislation is supposedly dealing. I suggest that the minister was perfectly in order in telling us that he was going to deal with this question when we got to the end of the debate on second reading, but that he has in fact misled the house and the country by giving us that impression and now refusing to make the statement.

• (5:00 p.m.)

Mr. MacEachen: I wish to rise on a point of order, Mr. Chairman. Will the hon. gentleman produce any quotations of a statement that I made to the effect that I would make a statement at the end of the second reading along the lines he suggested? Will he show it to me?

Mr. Knowles: It will take me time to find the references in *Hansard* and to quote them to the minister.

Some hon. Members: Oh, oh.

Mr. Knowles: Hon. members on the opposite side should keep calm. There is plenty of time. One can speak as often as he wishes at this stage of debate and I will have time to look up the references in *Hansard*. My memory is quite clear in this regard. The minister said that if we would allow debate on second reading of the bill to come to a conclusion he would make a statement at that time.

On one occasion a few days ago both the Leader of the Opposition and I asked the Prime Minister whether the government, either through the Prime Minister or through the Minister of National Health and Welfare, would not make, on motions or on orders of the day, a statement on what the government was going to do with regard to old age security recipients. The Prime Minister answered by saying that the proper place for the minister to make such a statement was in closing the debate on second reading of the bill on the Canada Assistance Plan.

One of my colleagues has handed me a newspaper article headed "Aged Wait As Debate Drives On", a story by Fraser Kelly of the Ottawa Bureau of the Toronto *Telegram* similar to many other stories I read.

An hon. Member: This is another filibuster.

Mr. Knowles: The plan was that when debate on second reading ended the minister would make a statement. In the statement he has just made he admitted that we were expecting it but he said that since he gave that undertaking he had made the decision that a vote should be taken on the Canada Assistance Plan with respect to the welfare matters it covers and therefore the making of a statement on old age security should wait. The minister can explain it any way he wishes but at a later stage in the debate I will bring before the committee the exact quotations from *Hansard* in regard to his previous undertaking.

I wish to say to the minister that there will be keen disappointment across Canada tonight, and the bushels of mail I have received in the last few days will be multiplied as a result of the publicity which the minister has given me today. There will be bitter disappointment at the fact that whatever the government had in mind the minister decided not to give it to us. All of this talk that we were preventing him from making a statement because the debate went on for three and a half days, which was called a filibuster, is really ridiculous. It has turned out to be nothing but a sham.

Some hon. Members: Carried.

Mr. Knowles: Some of my colleagues have shown me the references in *Hansard*. I will read them the next time I rise to speak. I will come back in a moment to what the minister calls the pre-political part of my speech. He can use such adjectives if he wants to but he is inviting a rather heated debate at this point.

I wish to say again, Mr. Chairman, that I think the Liberal government is making a serious and tragic mistake on every count by refusing, at this time and concurrently with this legislation, to deal with the problem of the income of our old age security recipients. It is the kind of mistake which the Liberals have been making throughout the years. They made it by taking so long in presenting old age legislation in the first place and in responding to the requests for an increase. They made it by refusing for so many years to remove the means test, and they made a tremendous mistake in 1957 when they provided a $6 increase. They are making it again when the country wishes to do the right thing by our elderly people who are in financial difficulties, when the country wishes the pension to be increased to $100 a month across the board without a means test, by not even telling us what are their plans after having led the whole country to believe that this would take place. Why are so many members of the press gallery present this afternoon? Are they here to listen to the minister's attack on me?

An hon. Member: No, to listen to you.

Mr. Knowles: They are here because they hoped to hear the statement which the minister was going to make. I suggest to you, Mr. Chairman, that not only will the senior citizens who are affected by this plan be bitterly disappointed but so will all the people of this country because Canadians as a whole are concerned about the plight of the elderly.

Despite the words that have gone back and forth across the chamber this afternoon I wish to say again, as I said at the resolution stage and on second reading, that I think what this legislation does, apart from the things it fails to do, is good. I welcome the proposal that federal money should be allocated to some of these welfare needs. I welcome the proposal that the federal government should support welfare services as well as assistance payments, mothers' allowances, child welfare, Indian welfare, work projects and so on.

I suggest to the minister that he is a little off base when he tries to have it both ways. He quoted the hon. member for Portage-Neepawa, myself and perhaps some others as pointing out the good aspects of this legislation, as we did, and then he said that hardly a word was said about the good features of this legislation.

Which way does the minister want it? The fact is there are good features in it and many hon. members both in the opposition and on the government side have said so. I hope, however, that even though we recognize the forward step being taken we can have an objective discussion in committee of the whole to ascertain exactly to what extent we are moving in these various fields.

As I said, clause 2 includes definitions of the various fields which will be covered, such as day care, homemaker services, mothers' allowances, child welfare, adoption services and so on. The minister made a great play about the amount of money that will be put into this plan by the federal government during the first year. He has told us a good many times that it adds up to a sum of $85 million. Whether we consider it under this clause or under some other clause, I hope the minister will be prepared to discuss with us in some detail how this money will be allocated and what the various sections of this program will get in terms of actual dollars. Either the minister can inform us of this or his parliamentary secretary can because, being a member of the committee on health and welfare, she knows that a good deal of this information has been given to us in that committee. Under normal circumstances I would take the position that information given to us in the committee is sufficient but the minister has made such boastful claims about this legislation here in this forum that it seems to me the country should get the whole picture.

I will quote the figures which we were given when we get to another clause of the bill and I will only say at this time that these figures show that the $85 million is broken down into about six or seven different categories. For example, when we wanted to know how much of this money will go to help the provinces pay extra benefits to old age security recipients we found there was no such category but there was a category called "program improvements" with an amount of $15 million for all program improvements. That makes it pretty clear that not much of that sum will go to old age security recipients.

In speaking about the welfare aspect of the program let me say that one of the strong points—and the minister made much of it this afternoon—is that the aim of this legislation is to try to get people free of dependency. He quoted the hon. member for Simcoe East who spoke about the desirability of such action, and we all agree with him. The minister said that this legislation proposes to give people a chance to rise above welfare and he said that the Canada Assistance Plan lays a foundation to make this possible. At that point hon. members on the Liberal side of the house loudly applauded.

• (5:10 p.m.)

In the committee on health and welfare we tried to find out how much of this $85 million, which after all is not very great in total, is going toward the provision of additional services, that is, services as distinct from assistance payments, services to help people get on their own, services to rehabilitate and so on. We could not get an exact figure, but by adding together the various figures we were given by the officials we built the total up to $14 million or $15 million a year. I just do not see that amount, good though its provision is in principle, doing much of a job along the lines the minister has proposed.

I recognize and will assert that in principle it is good for the federal government to get into the business of providing more money for welfare services. I think it is especially good that there is some kind of understanding among the 11 governments of this country, the federal government and the ten provincial governments, to work together in this field.

However, Mr. Chairman, when an offer has been made to the provinces to pay 50 per cent of all the extra money over the base period that the provinces will spend on welfare services, when there has been this agreement and the provinces indicate to the government that the extent or their total calls on this part of the fund for the first year is going to be only $14 million or $15 million, it strikes me that the selling job has not been as good as it might have been. This morning in the committee on health and welfare I quoted a report from one of today's newspapers to the effect that certain services would be available to municipalities in the province of Ontario for example, on a much more favourable basis than has been the case thus far. However, it was open to question whether or

not the municipalities would avail themselves of these services. This is something, under the heading of what is good in the bill, that I want the minister to be prepared to discuss in full when we reach that clause. I cannot forget what the measure does not do for old age security recipients, but I also want to discuss what the measure does not do in terms of what the minister says it is good for. I suggest we should have a down-to-earth, realistic discussion of this aspect.

So, Mr. Chairman, I think perhaps I have said enough at this point on clause 2. I will accept the minister's challenge to read back to him at a later point undertakings he made which I submit he has not kept by not giving a statement on old age security. I say to him, in light of the fact this bill is supposed to do something to meet the needs of our senior citizens, that the position he took in the last sentence of his speech is a bitter disappointment.

I have, as all hon. members have, during the past few days received a tremendous amount of mail from senior citizens. I brought some of the letters with me thinking I might read from them but I will leave that to a later stage. There is one from which I should like to quote a bit.

An hon. Member: Oh, no.

Mr. Knowles: My hon. friend says, "Oh, no". Perhaps he would enjoy this letter since it comes from Hamilton. Is there anybody here from Hamilton? I read:

Dear Sir:

So they think you are making a play for headlines (and so you are) and all us old people are behind you. God bless you and your followers; the best of luck to you.

I also received a telegram from Winnipeg which reads as follows:

As I said before, may I again recommend that you continue to explore all possible avenues in an effort to immediately raise old age pensions to $100 per month without means tests.

After a few sentences we find this:

Canada Assistance Plan operated through provinces with means test with various interpretations placed on them is not a satisfactory alternative, to which many Canadian citizens will testify.

I regret to say that I do not know the actual sender of this telegram but he signs himself, "Concerned Liberal Citizen".

An hon. Member: You don't mean he trusts you?

Mr. Knowles: Would hon. members like me to read them all? Far more interesting than the letters I am quoting, Mr. Chairman, would be the letters they are receiving on the government side of the house. As a matter of fact, I think that is what stung the minister into making his statement. I know what the people are writing to me, so I know what they must be saying to the government.

I want to repeat the position I have taken on two previous occasions, and the minister has no moral right to distort it. I took the position earlier, and I take it now, that the parts of this legislation which improve the administration of welfare are good. There are some deficiencies, but I hope we can iron them out as time goes by. In the main they are good and this is the reason hon. members voted for this bill unanimously. However, the failure of this government to face up to the problems of our senior citizens, the failure of the minister to say something in his statement, is a disappointment like so many of the disappointments the government across the way has given us.

I call upon this government to face up to the fact that Canadians want this parliament to do the right thing by our senior citizens. The only thing that is right is to increase the old age security pension to not less than $100 a month without the reintroduction of a means test or a needs test or any indignity of any kind.

Mr. Stewart: I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again later this day.

Mr. Rynard: Before we proceed with this motion, Mr. Chairman, I should like to draw the attention of the minister to a statement he made that nobody had referred to the 200,000 women—

The Chairman: Order, please.

An hon. Member: There is a motion before the committee.

Mr. Rynard: I have a right to make this statement. The minister said no one referred to the 200,000 mothers. If he refers to page 6410 of *Hansard* he will find that I said this was a good framework within which to gather together all the loose ends such as unemployment assistance and so forth. The minister said that I believed it was a good plan and that is exactly what I said because there were too many loose ends. I also went on to say that the only addition to the plan was the 200,000 mothers. I am sure the minister would like to correct that statement.

Mr. MacEachen: Yes, I accept the hon. member's correction. I regret that I did not add that point to the commendation he made of the plan.

Mr. Lewis: A motion has been moved by the parliamentary secretary, but would he be good enough to tell us the reason for it?

Mr. Stewart: If it is in order to speak on this motion—

The Chairman: No, it is not in order to speak on the motion. A motion to rise and report progress is not debatable. Is it the pleasure of the committee to adopt the motion?

Motion (Mr. Stewart) negatived: Yeas, 21; nays, 32.

The Chairman: I declare the motion lost.

• (5:20 p.m.)

Mr. Baldwin: Mr. Chairman, I should like to ask a question on clause 2. I have had some difficulty in following the debate with regard to this question and I hesitated to refer to the bill in detail on second reading because I might have been called to order. I want to ask the minister a question with regard to the definition in clause 2 (g) "person in need". I have been trying to discover the very fine distinction which exists between a means test and a needs test. Definition (g) is as follows:

(g) "person in need" means

(i) a person who, by reason of inability to obtain employment, loss of the principal family provider, illness, disability, age or other cause of any kind acceptable to the provincial authority, is found to be unable (on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements) to provide adequately for himself, or for himself and his dependants or any of them—

I take that wording to constitute a mandatory direction to the appropriate provincial authority, in establishing who is a person in need, to take into calculation the means of that person. I would ask the minister whether I am correct in assuming that the needs test, which is given a statutory definition here, contains an element of the means test.

Mr. MacEachen: Mr. Chairman, the answer is yes, it does contain an element of the means test.

Mr. Lewis: Mr. Chairman, I am not going to keep the committee very long. Nor am I going to attempt to deal with the many parts of the minister's speech which I respectfully suggest to him were an exercise in distortion such as I have seldom heard in my life.

Some hon. Members: Oh, oh.

Mr. Lewis: I rise to make two points. I am one of those who are unhappy about the requirement of a needs test, though as I said on an earlier occasion it is obviously an improvement on the means test. Of course I knew, as the minister a moment ago admitted, that a needs test necessarily included a means test as well. Certainly to require that account be taken of the budgetary requirements of a person as well as his means is an improvement. That is why I was pleased to vote for the bill, as I said I would on second reading and as also did others in this house.

However, I repeat what I said. No matter how glowing the words the minister may use in describing this bill, no matter how much he may draw upon witnesses outside the house such as the Canadian Labour Congress, welfare councils and the like, and no matter how much his advisers may insist the bill is great, I say to him that, improvement though it may be, the needs test remains a humiliating affair, as does any test for the purpose of dealing with people in need which requires an assessment of their livelihood.

People live in different ways. People expend their resources, large or small, by different choices, and any test that is applied to them is humiliating. If I and others failed to make ourselves clear earlier in expressing our disappointment at the bill, then let me try again.

It is my conviction, one which others share with me, that the only way to eliminate poverty in this country, aside from job provision and the like, is to have some general program of income maintenance. We require some general program providing a guaranteed annual income for a person or a family through the application of a negative income tax or some other method whereby, without the humiliation of a test and by a simple declaration of personal income, society makes up the difference between what a person or a family in fact has by way of income and that which, according to budgetary analyses, that person or his family requires to live on in their way, not in my way or in the way of the social welfare worker but in their way. So long as we are short of the goal of a guaranteed income for the needy, so long we will have humiliating situations, whether caused

by needs tests, means tests, or whatever they may be called.

Second, I should like to say that when the minister said if I remember his words correctly, in his speech closing the debate on second reading that by various programs the government intends to reduce the number of people who have to rely on public assistance, I say to him that the major reason that this party—and I can only speak for this party—made the stand it did with regard to old age security recipients is precisely that. In order to reduce the number of persons, particularly among our aged people, who will have to rely on public assistance, let us make a universal payment to the old age pensioners when they reach a certain age—we say age 65, to which the government agree except that they postpone the payment until 1970 in their legislation—of at least $100 a month. In this way you reduce not only the number of people who will have to apply for public assistance but you also reduce the requirement for public assistance of those who still have to seek it to provide the balance they require to live decently.

In this speech on closing the debate on second reading the minister made a point of reading extracts from other members' speeches. He accuses other people of hypocrisy. I have had short experience in this parliament but I am sure that other members, including the minister, are as fed up with this sort of thing as I am. I did not accuse him of hypocrisy but he accuses me of hypocrisy. When I say me, I do not mean me personally. He did not name me but he said at one point in his speech, "No wonder some members on this side used the word 'hypocrisy'". He said that in one of his more rhetorical passages.

Let me tell him in measured words that only a guilty conscience could have interpreted—

Some hon. Members: Oh, oh.

Mr. McIlraith: Order.

Mr. Lewis: —what was said in that way. What we said to him, and what we say to him again, is that we feel it is our duty to keep on fighting for an improvement in the amount paid by way of old age security and we do so with a clear conscience, as we have done.

Some hon. Members: Oh, oh.

Mr. Lewis: Clarity of conscience—I am sure hon. members across the chamber will agree with me—exists not only in one part of the house. We can lay some claim to it as well as the minister of mines and energy, and we do so with the same humility which he is showing now.

• (5:30 p.m.)

Finally, Mr. Chairman, I want to direct the minister's attention to this simple matter. The minister interrupted the speech by the hon. member for Comox-Alberni as reported on page 7063 of *Hansard*. I quote the words of the hon. member for Comox-Alberni:

> I wish the Minister of Finance would come into the house right now and tell us why the government does not support the simple and immediate proposal we are making. Somehow I feel it is almost unfair of me to ask the Minister of National Health and Welfare to stand up and do it. He does not appear to be giving any indication of a desire to get up on his feet at the present moment.
>
> Mr. MacEachen: May I, Mr. Speaker?
>
> Mr. Barnett: If he could give me some indication that that is what he has in mind, I would be quite happy to terminate my remarks at this point.
>
> Mr. MacEachen. I am ready, Mr. Speaker.
>
> Mr. Barnett: Does the minister wish to ask me a question?
>
> Mr. MacEachen: I accept the hon. member's invitation if he will sit down and allow me to wind up the second reading of this bill by making a statement.

After an exchange with the hon. member for Grey-Bruce, at page 7069 of *Hansard* the hon. minister said:

> Yes, Mr. Speaker. I wish to reply to the point of order raised by the hon. member for Grey-Bruce. He was given a full opportunity to present his point of order and I should like to reply to it by saying that this is the second time tonight hon. members have asked me to reply on this general subject—

And the general subject was the old age pensioners.

> —and make a statement with regard to the intentions of the government. Twice I have volunteered and have been refused. I am waiting anxiously to conclude this debate in order that the bill will be passed and so that the house will be fully aware of the government's plans.

If those words are not a clear undertaking that when the minister closed the debate he would make a statement on the subject of old age security and what the government's intentions are, I just do not understand simple English.

On June 30, as found on page 7080 of *Hansard*, the hon. member for Winnipeg North Centre asked this question:

> Mr. Speaker, before we leave the order of motions, is it not the intention of the Prime Minister or the Minister of National Health and Welfare to make a statement on the government's intention with respect to old age security?

Canada Assistance Plan

The answer is recorded as follows:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand we are debating the Canada Assistance Plan, and that will be a good occasion for the minister to make a statement.

Following those statements by the minister and by the Prime Minister, and the obvious leaks to the press which had all sorts of stories about what the content of the statement would be, I suggest to the minister, without accusing him of anything, that the time has come, and that time is now, for him to make this statement. He has second reading of the bill. He wanted a recorded vote. He would have got it too but he was slow in rising. He had made a long and tiring speech, as tiring to him as it was to those he attacked. But I say to him that he got approval on second reading. He got unanimous support of the principles of the bill. I say to him that in all honesty to the house, in all honesty to the older citizens of Canada, in all honesty to the people of Canada he owes it to them to rise and to tell us now what his intentions and the intentions of the government are.

Some hon. Members: Oh, oh.

Mr. Lewis: I can understand, although I could not appreciate, the reasons he appeared to have for refusing to make a statement on second reading. He said he wanted this bill to stand on its own feet.

Mr. McIlraith: Mr. Chairman, second reading of the bill has been passed on by the house after full opportunity for debate. The matter now before the house is clause 2 of the bill. It is not open to hon. members, in the committee stage when we are discussing particular clauses, to use that opportunity to continue the debate on second reading. It is not open, in other words, to hon. members to obtain by that device two opportunities to speak on second reading. The clause before the committee of the whole at the moment is clause 2 and debate now must be relevant to that clause. To continue and rehash the general debate on old age pensions and second reading in the specific form in which it is being done by the hon. member is, I respectfully submit, out of order.

Mr. Lewis: Mr. Chairman, I have not been here nearly as long as the Minister of Public Works. Let me say first on the point of order that, as the hon. member for Winnipeg North Centre has pointed out, clause 2 deals with aged people. It specifically refers to them. It specifically refers to a definition of need with respect to aged people.

Mr. McIlraith: Would the hon. member permit me to ask him a question?

Mr. Lewis: Certainly.

Mr. McIlraith: On the point of order that I raised, would the hon. member not admit that he has been and is dealing specifically with the arguments on second reading again and that—

Mr. Lewis: Not at all, Mr. Chairman. I understand that the Minister of Public Works is anxious, as we all are, to end the session and to deal with all the business we have before the recess that all of us deserve. But let me, as a relatively new member of this house, tell him that when he uses words such as "rehash" and the like he is going to be here just as long as it is necessary to make our points. And I do not appreciate—

Mr. McIlraith: On a point of order—

Mr. Lewis: —any remarks—

Some hon. Members: Oh, oh.

The Deputy Chairman: Order, please.

Mr. Lewis: Mr. Chairman, I merely want to tell the minister that as one member of the house I do not appreciate and I do not propose to tolerate that kind of characterization of anything I have to say when I am on my feet.

I say to the minister in reply to his point of order that the word "age" is in this bill. I have no idea what the minister's announcement may be. According to what I have read in the press the announcement may well deal with the way in which the Canada Assistance Plan will provide, in the minister's opinion and that of the government, additional assistance for the aged. I have no idea what his announcement will be. I venture to say from what I have read in the press that his announcement will be precisely within the ambit of clause 2. The Minister of Public Works, it seems to me, is not on very strong grounds when he objects to my asking the minister under clause 2, which deals with the need of old people, for an announcement which he undertook to make, has not yet made and which the entire country expects him to make.

Mr. MacEachen: Mr. Chairman, we ought to put this into perspective. Last Wednesday night the hon. member for Comox-Alberni

volunteered to terminate his speech to allow me to wind up the debate. I said I would do so and I would disclose then and later the intentions of the government. I mentioned today that I was considering doing that at the time. Today I have indicated the intentions of the government with respect to old age pensions. But I wanted to have this measure dealt with on its merits and disposed of, because the other matter is another issue which will be dealt with within a short time. I went much beyond that and stated that we would be dealing with a further program.

An hon. Member: When?

• (5:40 p.m.)

Mr. MacEachen: Surely that is completely in accord with any undertaking that may have been given at that time, which was totally conditional upon the opportunity being given that evening. It was not granted, and I do not complain about that at all. Surely I have discharged fully the undertaking, which was conditional, that I would disclose the intention of the government. I have disclosed it today. I have not disclosed the details of any plan and I never said I would. But certainly I have disclosed the intention of the government.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I do not want to impel myself into the internecine strife which has broken out between the allies, the Liberal party opposite and the New Democratic Party. It is discouraging to see such a division and I only hope something can be done to bridge the chasm created between them. Throughout the entire session and, indeed, for several previous sessions there has been a beautiful relationship between those two parties and I want to do everything I can to heal the wounds which are apparently being inflicted.

I must say it is most unusual that the Minister of Public Works should rise and say there should be no general discussion on clause 2. This practice has always been followed—

Some hon. Members: On clause 1.

Mr. Diefenbaker: —particularly when what is asked for has a full and complete relationship with the matter before the committee.

I was surprised to see in the Montreal *Star* metro edition this evening the headline: "Ottawa Prepares To Shelve Debate On Assistance Plan". Apparently the government is prepared to shelve this legislation. The article says:

> Government house leader George McIlraith told the Montreal *Star* last night he is seriously considering withdrawing the welfare bill and moving on to other legislation "if we are going to continue to sit around here doing nothing."

Mr. McIlraith: I wonder whether the right hon. gentleman would permit me to help him. My first request is that he try to approximate the pronunciation of my name. That is the important point. But the second point, which I might clear up at once, is that there was no suggestion that the government was going to withdraw consideration of the bill. No thought or consideration was ever given to that.

Mr. Diefenbaker: So far as the first matter is concerned, I must immediately apologize. I get "micks" and "macs" mixed up sometimes. I did in this case.

But let me read on, because I am disturbed by this.

> Seldom angered by opposition floor tactics, Mr. McIlraith charged: "It has been quite apparent to all that it is not very easy to assess whether the house is interested in proceeding with the consideration of the Canada Assistance Plan."

And this is all in quotes. If the minister says he did not say it, all I have to tell him is that the *Star* has indiscriminately used quotation marks when they ought not to have been used. I read on:

> The house leader said that "continued opposition to an important piece of legislation such as this is not conducive to maintaining the high opinion which we hope this parliament holds in the minds of the public."

Mr. McIlraith: That is in *Hansard*.

Mr. Diefenbaker: I am sure all of us are exhilarated to think that parliament holds a high position in consequence of the co-operation which has been shown by the opposition. But I cannot understand why the minister would have been quoted in such a blatant way when I now find out from him that he never uttered any of these words. However, I accept his denial.

Now I come to the one question which is in the minds of many members of this committee. I am not making any appeal to the minister in this connection but I suggest to him after his effort today, one which was in keeping with the best traditions of parliamentary debate, that now he has secured the passage of this bill on second reading he ought to make that announcement which everywhere across this country people are

panting to hear—the announcement which is going to bring about a new heaven and a new earth to those in need who are over 70 years of age. They are waiting for this announcement. It has been built up.

The minister said he never undertook to make it. I do not challenge his view in that connection but if the ordinary interpretation is placed on what he said and on what the Prime Minister said to me the meaning is clear, that when the minister had been given the opportunity of rising and concluding the debate he would meet head on the question which had been raised regarding the old people of the nation who are in need. I suggest to him he should give second thoughts to his decision not to make an announcement.

The ordinary sense of the words used in the statement made to the house conveyed an assurance that the minister would speak, and every hour, almost on the hour, various press men announced that as soon as he had an opportunity he would speak and explain this new plan which would guarantee to everyone with an income of less than $1,260 a year, a pension of $105 a month. Surely the minister, after his excellent effort today, does not intend to wipe out the accumulated good will resulting from some well directed remarks.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I must say that when he spoke I could not but agree that some of the things he said needed to be said, because certain hon. members on my left have the habit of wrapping themselves up in the garb of political purity. They indicate that only they have in their hearts the desire to help others. Well, the appropriation of such a monopoly of philanthropy is not in keeping with the facts.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I remember so well in the days of B.D.—that is, Before Douglas—we used to be told in Saskatchewan: All you have to do is elect a socialist government; everyone is going to get social security and it will be paid for out of the profits of businesses to be set up. Well, they went into boots and bunk and woollens. They went into boxes.

An hon. Member: Trucks.

Mr. Diefenbaker: I cannot begin to cover the entire political phantasmagoria of promises and schemes. They rolled into action. A business would open, and it was not very long before it closed in bankruptcy.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Those were the happy, utopian days of the past. I was most interested by what the minister said in this connection. Always I have to conclude that those in the older political parties can still feel that as a result of their efforts a little something has been done for those in need over the period of 100 years during which they have alternated.

I am not here to quote statistics, but if challenged I can do so. I do not feel that way this afternoon. What I am trying to do is to make an appeal to the minister to stand up now and let us know what his policy is.

• (5:50 p.m.)

He used my words on another occasion with equal success and about this he got a unanimous vote. I would have done the same. I now say to him, you know where we stand; I ask you where do you and the others stand?

The Chairman: Order. I should like to make a comment regarding the point of order raised by the Minister of Public Works. May I read for members of the committee standing order 78. I wish to read this now because it is one of the standing orders which has bothered me since the new orders were temporarily adopted. Standing order 78 says this:

> 1. In proceedings in committee of the whole house upon bills the preamble is first postponed, and if the first clause contains only a short title it is also postponed; then every other clause is considered by the committee in its proper order; the first clause (if it contains only a short title), the preamble and the title are to be last considered.
>
> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

The question which arises in the mind of the Chairman is this. If clause 1 is to be postponed, does that give the committee the right to have a general debate on clause 2. Further, I might quote standing order 59(2):

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

There is some doubt in the mind of the Chairman whether the discussion so far is relevant to clause 2 of this bill. However, I would hope that those who are going to take further part in the discussion would confine themselves as closely as possible to clause 2.

Mr. Barnett: Mr. Chairman, if any remarks or exchanges which took place between the minister and myself the other evening so piqued him that he changed his mind about making the statement which was requested, I would take this opportunity of apologizing most profoundly to him because I certainly would not want any remarks of mine to delay the announcement which it has been suggested a great many of the older citizens of Canada are awaiting. If the minister is so sensitive I will offer to go out of the house right now so as not to be in his way when he does it.

We have had some discussion about the definition of a person in need. The point that has been in the minds of a good many of us and which certainly was in the minds of a great many who took part in the second reading discussion is the relevance of including and continuing to include as a person in need persons by reason of their age. As I listened to the remarks made by the minister earlier he suggested I had made an offer and had withdrawn it. I think if the minister will read what I said at that point he will find that I was in effect challenging him to make a statement which would be an improvement upon the proposal advanced by the hon. member for Winnipeg North Centre.

It does seem to me, Mr. Chairman, that the passage of clause 2 of this bill certainly could be expedited a great deal if the minister were to accede to the request made by the Leader of the Opposition and by the member for York South and clarify the confusion in our minds as a result of the statements which he and the Prime Minister have made. The minister may recall that not too long ago, in answer to a question asked by the hon. member for Winnipeg North Centre in respect of what might be done in the field of legislation to improve the financial position of the aged, he said he could not say definitely there would be a proposal brought in but he would not rule out the possibility of a proposal being brought in by the government.

This whole thing has now built up to the point where a very relevant question in relation to the definition of a person in need in clause 2 is what other plans, if any, the government has in respect of the aged. I certainly would be quite willing to yield the floor. Not only would I yield the floor but I would withdraw from the house for the time being if that would induce the minister to make the statement which has been requested by so many hon. members of the house.

Mr. Orlikow: Mr. Chairman, I wish to rise to say something on this clause because it seems to me that not only did the minister make it clear during various stages of the debate, as has been mentioned by the hon. member for York South, that he would make a statement with regard to the needs of old age pensioners and government policy in that regard, but also on Friday, Saturday and even today there have been reports in the newspapers that as soon as the debate on second reading was finished the minister would make a statement outlining the government's proposal in respect of how the needs of the senior citizens of this country would be met.

A few minutes ago the minister said he had been prepared to make a statement last Wednesday following the invitation of the hon. member for Comox-Alberni but that the house would not let him make the statement then and he had since changed his mind. I have not been around this place as long as the minister but I have been here long enough to know that when three, four or five competent, experienced House of Commons newspapermen write the same story it is not an accident, that they did not pick the story out of thin air and that in fact the story came if not from the minister himself from the minister's executive assistant or the minister's public relations office. Such stories certainly are inspired.

An hon. Member: Six o'clock.

Mr. Orlikow: On the front page of the Toronto *Telegram* of today's date there is a story by Fraser Kelly. The headline reads: "Aged Wait As Debate Drags On." Here is what Mr. Kelly said:

> Political gamesmanship at the expense of the nation's old people continues—

The Chairman: Order.

Mr. Byrne: Mr. Chairman, I move that the committee rise, report progress, and request leave to sit again.

• (6:00 p.m.)

Mr. Fulton: Mr. Chairman, I rise on a point of order. Surely the situation is that the hon. member for Winnipeg North had the floor and that the only interruption that can be permitted is the calling of private members' hour at six o'clock. In my view that does not give any other member on either side of the house the right to slip in a motion as the hon. member for Kootenay East attempted to do.

Mr. Orlikow: Mr. Chairman, I call it six o'clock.

Mr. McIlraith: The only relevant rule is that a vote cannot be taken between six and eight o'clock.

Mr. Monteith: It is now after six o'clock.

Mr. McIlraith: A vote cannot be taken during that time but there is no question regarding—

Mr. Fulton: Mr. Chairman, my point is that the hon. member for Winnipeg North had not yielded the floor. He did not sit down but was interrupted because it was six o'clock. That does not give another member the right to make a motion on a matter of business other than what is before the house, which, after six o'clock, was private members' business.

The Chairman: Order, please. It being six o'clock and in order that the house may proceed to the consideration of private members' business I do now leave the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Pursuant to provisional standing order 39A, it is my duty to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Port Arthur (Mr. Andras), Natural Gas—U.S. hearing on transmission between Canadian points; the hon. member for Prince (Mr. MacDonald), Research—suggested establishment of special committee on space research.

PRIVATE BILLS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am sure many members are aware that it is my intention to carry out an extended discussion on each of the insurance bills on the order paper until a decision is taken which will result in the handling of this type of bill in another manner. There are a number of other bills on the order paper which are not contentious so far as I am concerned and it may be that other members would like to deal with them now. I refer to such bills as those dealing with churches. With the indulgence of the house I suggest that the order for calling these bills might be No. 13, No. 14, No. 16 and No. 17 as they appear on the order paper.

[Mr. Fulton.]

Mr. McIlraith: Perhaps the hon. member would permit me to ask a question. Will the hon. member consider adding to his suggested list No. 6 on today's order paper?

Mr. Peters: Yes, Mr. Speaker.

Mr. Cameron (High Park): Mr. Speaker, when you recognized the hon. member for Timiskaming I was about to ask the house for unanimous consent to the second reading of Bill No. S-13 which is No. 19 on today's list. I wanted this bill considered first today during private members' hour for several reasons. It has been the subject of debate for at least an hour on a previous occasion. When private members' hour expired then the hon. member for Timiskaming was speaking on this bill. It was my impression that he had almost concluded his remarks, but because of sloppy footwork on my part the bill was not given second reading. This company, in anticipation of the passage of this bill, has hired a staff and is ready to go into business. Any further delay seems to be somewhat unreasonable and certainly is costly. I ask the house and particularly the hon. member for Timisakming to give consent to second reading at this stage.

Mr. Barnett: Mr. Speaker, perhaps I might make a suggestion in view of the remarks of the hon. member for High Park. Can we reach an understanding that No. 19 on our list will be considered immediately following those items referred to by the hon. member for Timiskaming and the Minister of Public Works? I think there is some merit in what the hon. member for High Park said about the accidental position in which Bill S-13 finds itself on the order paper. If we can have such an agreement it may be possible for the house to consider that order today.

Mr. Cameron (High Park): I am always reasonable and willing to compromise. If we can obtain the unanimous consent of the house to consider order No. 19 today immediately after the others to which the hon. member referred I will be satisfied.

Mr. Deputy Speaker: Order. Do I understand that the order in which these bills are to be heard is No. 13, No. 14, No. 16, No. 17, No. 6 and No. 19?

Mr. McIlraith: I believe the hon. member for Timiskaming indicated that the order in which these items would be considered was 13, 14, 16 ,17, 6 and 19. Is that correct?

Mr. Peters: Yes, that is right.

Mr. Deputy Speaker: Does the house agree that this order of business be followed?

Mr. Fulton: Before you put the question, Mr. Speaker, I should like to understand the position advanced by hon. members. I was engaged in another discussion and I was not able to follow what took place. What happens to Nos. 10 and 11 for instance? Is there any understanding with regard to them?

Mr. McIlraith: The point was made at the beginning by a private member that many of the bills on the order paper would require a considerable amount of debate before being dealt with and that these other bills might be called, such as the ones dealing with churches, out of their priority on the order paper. It was then decided that order No. 19 would be added to the agreed list. I hope that is an accurate summary of what has taken place in the last ten minutes.

UNITED BAPTIST WOMAN'S MISSIONARY UNION OF THE MARITIME PROVINCES

Mr. H. Russell MacEwan (for Mr. Coates) moved the second reading of Bill No. S-33, respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

CANADIAN BOARD OF MISSIONS OF THE CHURCH OF GOD

Mr. Eric Stefanson (for Mr. Smallwood) moved second reading of the Bill No. S-18, to incorporate Canadian Board of Missions of the Church of God (General Offices; Anderson, Indiana).

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

• (6:10 p.m.)

INTERNATIONAL SOCIETY OF ENDOCRINOLOGY

Mr. Jim McNulty (for Mr. Harley) moved the second reading of Bill No. S-29, to incorporate the International Society of Endocrinology.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Barnett: Mr. Speaker, I wonder whether the sponsor of this bill could not give us at least some brief introduction to the bill and its purposes before it is given second reading.

Some hon. Members: Carried.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this will be a very interesting bill when it goes to committee because I am sure that many members of the house are not even sure what international society we are establishing or what the society is for.

An hon. Member: Endocrinology.

Mr. Peters: I see the name "endocrinology" and I suppose it is the medical term in connection with endocrine glands, etc. A reading of the bill shows that it is a fairly extensive measure. I presume this society will have a membership that is provincial, federal and international. The schedule of the bill indicates that a number of companies are involved. This is why I would like the hon. member to explain the bill. The schedule indicates that such places as Australia, Argentina, Belgium, Brazil, Chile, Colombia, Czechoslovakia, Denmark, Ecuador, Germany, England, Haiti, Holland and Hungary are involved. The schedule enumerates on two and a half pages societies that are already formed. The interesting thing is that the head office of the international society will be situated in Canada in the city of Montreal.

It is unfortunate that the sponsor of this bill is not here, because I presume the purposes of the bill will bring credit to Canada in that the head office of the society is being established in the city of Montreal. The society will itself determine the type of bylaws it will have in effect. It is interesting to note that, unlike some other bills with which the house deals, there is written into this bill a clause that in my opinion is very worth while and should commend itself to sponsors of other bills. A reading of the bill shows that clause 4 is concerned with the head office of the society, which it says shall be in the city of Montreal, in the province of Quebec, or at such other place in Canada as the society may determine by bylaw from time to time. Then there is this subclause added:

> Notice in writing shall be given to the Secretary of State by the society of any change of location of the head office, and such notice shall be published forthwith in the Canada Gazette.

This is a very interesting provision and I believe it is something the committee should recommend for future bills, because in the choosing of a head office we have found that a number of companies have had to come before parliament and have new legislation

enacted to enable them to change their address. This has been achieved by means of a very cumbersome piece of machinery whereas a very simple appendage to the statement of the location of the head office, which would allow any company to change the address of the head office by applying to the Secretary of State and publishing the change forthwith in the Canada Gazette, would achieve the desired purpose in a much more simple way.

I believe this is a very worth-while provision and it should recommend itself to the members of the committee who are interested in taking out of parliament many of the bills that are nothing but a nuisance when companies have to come before us to change the number on the board of directors or make other changes. If a clause were written into the original act it would allow changes to be made in the number of directors, where the head office will be, where the annual meetings will be held and so on. This method of dealing with the problem would get rid of the difficulty that has existed in changing the name of a company. Also, there has been a major problem in respect of some companies in putting into the French language the title of the company. This has been a difficulty in the past because the titles of some companies are not easy to translate into the French language.

It is interesting to note that the International Society of Endocrinology is in French translated into La Société Internationale d'Endocrinologie, and I suppose our French members would agree that this is a simple, straightforward translation of the English name. The way I pronounced it would not really convey that impression. The functions of the society are not clearly dealt with in the bill. The society has asked for power to develop a constitution and make bylaws, rules and regulations as long as they are not contrary to this act. I presume the bill has been carefully studied by lawyers versed in international and constitutional law who are in a position to assess whether the bylaws of this international agency would be acceptable to the many countries already involved in that they have branches of this society.

I note that some countries, including England, have two such societies. It would be helpful if the sponsor of this bill was able to indicate on second reading whether the fact that England has the Society for Endocrinology, London, and the Endocrine Section, Royal Society of Medicine, London, means that these two societies were established separately. He could also tell us what the relationship would be between these two societies and the international society now sought to be established.

• (6:20 p.m.)

It is interesting to note that in addition to the power to draw up bylaws the society has asked for this power:

> To acquire the whole or any part of the rights and propertise held by, for or on behalf of the association.

They have also asked for this right:

> To purchase, take on lease or in exchange, hire and otherwise acquire by gift, legacy, devise or otherwise.

It would be interesting to note just what the power to acquire properties by "devise or otherwise" would include.

Mr. Cameron (High Park): I wonder whether the hon. member for Timiskaming would look at clause 2 of the bill which sets forth the objectives of the society in a very clear and comprehensive manner. May I suggest to him that we now approve the bill in principle, and all the matters which he is now discussing can be dealt with in committee. He will have another opportunity to discuss this bill when it comes back to the house after study in committee.

Mr. Peters: I appreciate advice from one so learned in the law. I have read clause 2 which includes a lot of big words that I really do not understand. I am not capable of grasping the principle of this bill from such phrases as:

> To disseminate knowledge of endocrinology by co-ordinating and organizing international congresses and conferences of endocrinology, by facilitating collaboration among national endocrinological societies and qualified persons interested in endocrinology and by publication of books, reports and other papers relating thereto.

This may be very clear, Mr. Speaker, but to me it is as clear as mud, and it is for this reason that we have a sponsor who usually avails himself of the opportunity to give us an explanation of such bills. I realize this bill will be considered in committee but his discussion may raise a major point in question. Members of this house have a habit of passing legislation on matters which they do not fully understand. While my education may have been neglected, I am of the opinion there may be other hon. members, including the hon. member who raised the question, who may not be too familiar with the meaning of phrases such as "co-ordinating and

organizing international congresses" and "facilitating collaboration".

Maybe I need a retraining course, but I think this is one of the reasons for having a discussion of these matters and this may be one of the reasons for a bill incorporating such an agency being brought up for discussion in parliament. I will be very interested to read the committee's report containing the information provided by the sponsor of the bill.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am inclined to agree with the hon. member for High Park (Mr. Cameron) that most of the questions that might arise on this bill can probably be discussed in the committee. For this reason I am happy to support its passage on second reading.

However, there are a couple of questions of general interest which I hope the committee will consider. One of them is the reason for this society seeking to incorporate under Canadian law in view of its very international composition which, as the hon. member for Timiskaming pointed out, appears to be virtually world-wide.

There is another matter regarding this bill which has been dealt with at some length by the hon. member for Timiskaming. I will not pursue it further but it is one of principle which I have not noted in any other bills of this nature seeking to incorporate societies for various purposes. I refer to the provision, in a fairly usual clause, which gives the proposed body power to hold property and to engage in financial transactions. Is it to be construed as authorizing the society to issue promissory notes intended to be circulated as money by a business engaged in banking or insurance? Many of the companies coming before parliament wish to engage in the business of insurance. It is refreshing to find a company not desiring to do so.

Mr. Peters: Maybe that is why the hon. member wants this bill passed.

Mr. Barnett: The fact that this particular provision is contained in this bill raises a rather interesting question of principle. Perhaps it is one that should be considered by the committee and one that can be more fully understood as a result of that consideration.

The question that puzzles me is the reason for placing in this bill a provision empowering the society to hold property and make ordinary financial transactions which are usual in the incorporation of such bodies. In concluding my remarks may I say, Mr. Speaker, that I am quite happy to support the passage of this bill.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

MENNONITE CENTRAL COMMITTEE (CANADA)

Mr. S. J. Enns (Portage-Neepawa) moved the second reading of Bill No. S-37, to incorporate Mennonite Central Committee (Canada).

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. Winkler: Mr. Speaker, I would appreciate it very much if the house would consider at the present time a bill standing in my name to incorporate Lutheran Church in America—Canada Section. Since we are now considering religious orders, this would be the appropriate time for the consideration of this bill.

Mr. Peters: We have overlooked this bill; it was not intentional.

LUTHERAN CHURCH IN AMERICA—CANADA SECTION

Mr. Eric A. Winkler (Grey-Bruce) moved the second reading of Bill No. S-39 to incorporate Lutheran Church in America—Canada section.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

BANK OF WESTERN CANADA

The house in Committee on Bill No. C-111, to incorporate the Bank of Western Canada—Mr. Richard—Mr. Rinfret in the chair.

• (6:30 p.m.)

On clause 1—*Incorporation.*

Mr. Peters: Mr. Chairman, the Bank of Western Canada has been a fairly controversial bank. The bill to incorporate it has had a rough passage not only in the house but in the committee as well. If hon. members are interested in the amendments, they may look at *Votes and Proceedings* No. 41 for Tuesday, March 15, and they will see that there are six or seven pages of amendments to this bill. I am sure the sponsor of the bill would like to say a few words on the amendments that have been moved as well as the problem raised by the fact that some questions have

been asked about whether or not there are dummy directors for the company.

One of the directors is the former president of the Bank of Canada who apparently has a very small number of shares but has played a fairly large role in the development of the Bank of Western Canada. Apparently this bank is not in fact, a bank of western Canada at all. It is an additional bank which will be situated in the city of Winnipeg but the financial control will remain in the city of Toronto. There was some discussion of this situation in the committee, and whether or not members were satisfied with the explanations I am not able to say.

This was a simple bill of only three pages but now there are four pages of amendments which I believe raises a problem. I would be remiss in my duty if I did not mention these facts. In my opinion the move to establish the Bank of Western Canada and the Bank of British Columbia should have been taken into consideration after the discussion of the amendments to the Bank Act. At that time consideration could have been given whether or not this bank was going to perform the usual functions of a bank.

It is true that the banking industry in Canada is not under monopoly control, but from the point of view of the borrower and the depositor the banks in Canada are really a monopoly operated in conjunction with the state bank, the Bank of Canada. For this reason there has to be a certain amount of consideration given to any banking legislation because it is obvious that banks play an important role in our country. They are important for the loans they make and for the facilities they provide. They are important too in their relations to the Bank of Canada, which is an establishment that can be used for the good of the nation.

I am therefore very sympathetic to the idea that people in western Canada will have the opportunity of having a bank of their own. I regret the fact that it has been necessary to look at the sponsorship of this bill, and I am not referring to the parliamentary sponsorship. I refer to the provisional directors of the company. One who is not named seems to have a great deal more influence behind the scenes in connection with this bank than the person who has been named chairman of the board of directors, I presume *pro tem,* Mr. Coyne.

We are well aware of the fact that there are parts of western Canada that have not been served as well as they could be by existing banks. For this reason it was not surprising that the other chartered banks in Canada did not in any way oppose this measure. There are a limited number of chartered banks, I believe only 11, of which six provide the majority of the banking service for most Canadians. The fact that these banks did not oppose this measure indicates they were not prepared to provide the service themselves in many of the areas in which the sponsors of this bill indicated they were prepared to provide service. For this reason the Bank of Western Canada possibly will serve a useful purpose.

I am hopeful that the day will come when not only the Bank Act will be changed so there will be a better opportunity to assess the banking needs of Canada but there will also be an opportunity to see what the policies of some segments of the banking system may be. It is a fact that you can go to one bank in a community with a certain proposition, outline this proposition to the bank manager and indicate what your collateral is, and if you are turned down at that bank and walk across the street to another bank you will be turned down in exactly the same way. In my opinion there is absolutely—I underline "absolutely"—no competition whatever between banks. I suggest that the Bank of Western Canada is going to be no better and no worse than the other banks.

I believe we should not be passing this bill but that we should be introducing a national banking authority to bring all the banks under some central control. It is interesting to note that while we talk about a 6 per cent interest rate for the banks there are indications that is not always the rate. I presume this bank will adhere to the same policy the other banks have. Someone says that the law provides the banks can only charge a 6 per cent interest rate. This is not true. Every one of the banks has a different interest rate for various types of loans. They have an interest rate that includes the 6 per cent, plus insurance and a number of other charges.

I was in a bank and we were discussing the rates of interest on small loans. I mentioned the rate of one bank and the manager said: That is not the rate over there; it is so much. He pulled a form from his desk drawer and showed me the rate on small loans at the other bank. It was interesting to note that the bank interest on small loans was running anywhere from 6 per cent to 8 per cent. The manager was quite willing to show me how they arrived at these charges.

It is interesting to recall that a few years ago the Imperial Bank of Commerce appeared before the banking committee and was willing to testify it had a bank rate considerably higher than 6 per cent. The bank was willing to outline how it arrived at this rate. It was interesting also to note how the lawyers got into the question because some of the officers of the Imperial Bank of Commerce were asked how they got away with having various rates of interest. They said they had legal advice which indicated that if they followed a certain pattern they would be able to increase the bank rate for certain loans under given conditions. The other banks indicated at the time that they were not interested in pursuing this course, their legal advisers having indicated it was not legal. It is interesting to note that since that time all the banks have gone into this business so either the lawyers had a change of heart or the banks saw some reason for the change.

• (6:40 p.m.)

It seems to me we are not taking into consideration the over-all needs of the country and that there is a similarity between these banks and the insurance companies which operate in a monopoly position. It is true that not every Tom, Dick or Harry can start a bank in Canada, although I understand that when my ancestors first came to this country they could and did do so. Whether or not they went broke escapes me, but it certainly has not rubbed off on me and I have not inherited anything from them. Therefore I do not know whether it was a good thing that we allowed at that time a variety of small provincial banks in one community to be owned by one individual.

It is true that in this country the banking industry has weathered the storms which have plagued other countries. I think it is safe to say that for at least the last 20 years no one who has deposited money in a bank has found it less advantageous than depositing it under the mattress at home, and some people may consider it more advantageous and even a little safer.

However, the purpose of this bill, let us face it, is not to provide a service. If we really want to provide a service to the Canadian people we should nationalize all banks and thereby provide the same service to all the people. If such were the case people in Toronto would not find it necessary to say that no money is available for mortgages. In my area the farmers would not complain about no money being available to buy extra equipment or cattle for the farm. They would not say there was tight money or loose money, and they would be able to obtain money as the Minister of Finance decided money should be made available.

At the present moment a gentleman's agreement exists. The minister says "Let us tighten up the money supply". He said that a short while ago and all the banks played the game. I wonder whether those in the Conservative party who a few years ago did not have much faith in Mr. Coyne would expect him to play the game if he were the chief director of this bank. When he was asked to play the game he might not play the game, though he might be an exception. This sort of thing may be good or it may be bad. The situation here may not be the same as with other banks to which we have granted charters, and therefore we may find we will repent that we granted this company a charter, even though I am sure there are many people in western Canada who are looking forward to having a bank on their street to provide service.

It should be quite clear to the Canadian public by now that banks are not only supplying service. A bank is not just a place to deposit money but also a place which provides wealth to those who deposit a few dollars toward its incorporation. The only consolation I have is that these banks will not get rich on the amount of money I deposit in them, whether they have branches in Ontario or elsewhere. Although there is some advantage to those who incorporate a bank, there is less advantage offered to those using the facilities of the bank.

I suggest that in passing this bill we may open a chink in the banking industry of Canada, particularly with the vindictiveness that Mr. Coyne may feel toward some governments for some time to come. If so, this will bring us much closer to the day when we reach the goal of which I am personally in favour, namely, nationalizing the banking industry of Canada and having one large bank with outlets in every town in the nation to supply credit where credit is needed and on a much more equitable base than I have found in many local offices, particularly when they have to call upon the collector for the next two years. If this is the accomplishment in years to come I will be very happy to lend my small support to the passage of this bill.

Mr. Barnett: Mr. Chairman, as you recall this bill has previous consideration in committee of the whole on April 26 last. It has, of course, been in the parliamentary hopper for quite some time now, along with another proposal to establish what has been referred to as a regional bank, namely, the Bank of British Columbia.

As I have said on other occasion when we have had these measures under discussion, I believe that, properly handled, the development of regional banks in a country as widespread as ours and with the diversity of economic interests we have in different regions in Canada, can serve a useful purpose as long as our basic system of banking as we know it now is maintained. At this moment we do not exactly know what the government may have in its mind in regard to the future of the banking system, except in a very general way. We do know that the two banks being proposed will come under the regulations and rules of the new bank Act, whatever form they may take, and in that respect at least they will be in the same category as any other bank in Canada.

As far as I am aware, the other new bank which is being proposed, the Bank of British Columbia is not being organized in the present bill along the lines which were originally proposed. The former bill would have enabled the provincial authorities in British Columbia to direct its policy in the public interest, but I understand it will be a genuinely regional bank.

So far as the Bank of Western Canada is concerned I am not quite so sure in my own mind that it will operate in accordance with the manner in which the name proposed for it would suggest. The question has been raised, and I think quite well documented, that while it is being called the Bank of Western Canada its control is not going to lie among western Canadians. In this connection I would like to refer to remarks made on April 26 by the hon. member for Nanaimo-Cowichan-The Islands as reported at page 4339 of *Hansard*, in which he said:

> We have been told that one of the purposes of organizing this bank was to have a financial institution in western Canada, based in western Canada, owned by people in western Canada and directed by people in western Canada. But what do we find?

He then went on to deal with some of the evidence that was adduced in the committee on banking and finance which made it clear that so far as the financial control of the equity capital of this bank was concerned this was not actually going to be the case.

• (6:50 p.m.)

The hon. member concluded his remarks at page 4339 of *Hansard*. I shall not read everything he said but only his words in conclusion.

> Obviously this bank is not only going to be directed by three eminent financiers from Toronto but is going to be owned substantially by residents of central Canada, not of western Canada.

Then he added:

> I have no objection to people of central Canada owning property such as this but I do not think they should masquerade as residents of western Canada devoted to the interests of western Canada. This is one of the things that give me some concern.

It is true, Mr. Chairman, that I share the concern expressed by the hon. member for Nanaimo-Cowichan-The Islands. I only hope that some of the attention which has been focused on the discrepancy between the name of the bill and the actual ownership may serve to put the management of this bank on the alert so that they will make a genuine attempt to prove that some of the fears expressed have been unfounded. I hope that if they are going to portray themselves as the Bank of western Canada they will in fact devote their major attention to meeting the needs of western Canada with respect to banking services to an extent that some of the other chartered banks in this country have not done. I hope that they will deliberately shape and form their policies to that end so that the people of western Canada will derive some benefit from the establishment of this bank and the policies which it will follow. The people have not always derived adequate benefits from the other chartered banks which have their headquarters in the eastern part of the country.

I am not making these remarks in any sense of trying to set one region of Canada against another but only with the idea that all regions of Canada should develop economically and so develop the strength of their industry that the strengthening of one region can serve to make Canada as a whole a stronger nation in the economic and financial field. I hope that this will turn out to be the case in respect of the Bank of Western Canada if it finally receives approval and is incorporated under the laws of this parliament.

I note that the hon. member for Timiskaming made some references to one of the persons who is named in this bill who is

widely known in Canada in the field of banking and who has been at one time or another a person whose name has been bandied about freely in this chamber and in the other place. We all know that he is a man of experience and of strong will. We hope that in so far as he has a voice in the affairs of this bank he will do his best to see that it does in fact carry out the purposes previously stated with respect to establishing a bank under the name of "Bank of Western Canada".

With these remarks, Mr. Chairman, so far as I am concerned I am prepared to see this bill pass this stage so that it may be considered in the other stages of the parliamentary process.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

On clause 5—*Definitions.*

Mr. Peters: Mr. Chairman, I refer to clause 5(1)(a)(i). In that clause there seems to be included the wording of the old clause. The old clause read:

All directors of the bank shall be subjects of Her Majesty ordinarily resident in Canada.

That is explicit. But in the incomprehensible amendment, if I read it correctly, something appears to have been added. The amendment says:

(i) Her Majesty in right of Canada or in right of a province, or

(ii) the government of a foreign state or any political subdivision thereof,

I would ask the sponsor what that means.

Mr. Richard: It means exactly what is in the definition. The clause reads:

(a) "agent", in relation to

(i) Her Majesty in right of Canada or in right of a province, or

(ii) the government of a foreign state or any political subdivision thereof, means an individual or corporation empowered to perform any function or duty on behalf of Her Majesty in either such right or on behalf of the government of a foreign state or any political subdivision thereof, other than a function or duty in the administration or management of the estate or property of an individual.

This is just the ordinary definition that is found in such a statute. It is more or less standard.

Mr. Peters: What worried me was that in the previous clause before being amended the wording was:

All directors of the bank shall be subjects of Her Majesty—

Is this new clause inserted to prevent a take-over of this bank by an outside bank, as was the case with the Mercantile Bank? Is this clause designed to prevent that sort of thing?

Mr. Richard: That cannot happen here.

Mr. Peters: Why is there not a simple clause saying that the directors shall be Canadian citizens regularly resident in Canada? The clause as it is now worded says:

Her Majesty in right of Canada or in right of a province, or—

Then it says "political subdivision". I was wondering whether this had to do with the provincial danger mentioned by previous speakers. I was curious about this.

Mr. Richard: No, Mr. Chairman. That clause was considered in committee. There was very full discussion about this matter. In fact, all the questions raised here were raised in committee. The same objections were raised and this wording was adopted after discussion.

Clause agreed to.

Clauses 6 to 12 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time.

An hon. Member: By leave, now.

Mr. Richard moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (7:00 p.m.)

Mr. Cameron (High Park): Time has been consumed—the time which elapsed when we were discussing the orders for the private members hour. I suggest a little extra time might be given for the second reading of Bill S-13 respecting the Canada Health and Accident Assurance Corporation. I ask consent for this to be done.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to proceed with consideration of Bill No. S-13?

Some hon. Members: Agreed.

Private Bills

CANADA HEALTH AND ACCIDENT ASSURANCE CORPORATION

The house resumed from Tuesday, June 21, consideration of the motion of Mr. Cameron (High Park) for the second reading of Bill No. S-13, respecting Canada Health and Accident Assurance Corporation.

The Acting Speaker (Mr. Rinfret): Is the house ready for the question?

Mr. Arnold Peters (Timiskaming): I should like to say just two things. Sponsors who are willing to play games should expect to get hurt occasionally. Second, I think it would be wise for sponsors not to sponsor too many bills in their own names, or they also might find it more difficult in these circumstances.

Motion agreed to and bill read the second time.

The Acting Speaker (Mr. Rinfret): Pursuant to standing order the said bill stands referred to the standing committee on trade, finance and economic affairs.

Mr. Cameron (High Park): Could I again seek the indulgence of this house? The hon. member for Timiskaming (Mr. Peters) talks about playing games. This particular sponsor was not playing any games. The bills I have sponsored were all sponsored for personal reasons. In this case the solicitor for the company was a student of mine and a friend of mine for many years.

However, the point I am making is that a number of bills have been sent to the committee. My bill got bypassed in that process. It is a simple bill and, as I understand it, this company is prepared, if this measure receives third reading and is passed, to commence business immediately upon Royal Assent being given.

The Acting Speaker (Mr. Rinfret): Is that agreeable to hon. members?

An hon. Member: No.

Mr. Cameron (High Park): It has been done in connection with other bills. However, the hon. member for Timiskaming has indicated that he, in any event, is not prepared to consent. So that will settle the matter for the time being.

The Acting Speaker (Mr. Rinfret): The bill stands referred to the standing committee on finance, trade and economic affairs.

[The Acting Speaker (Mr. Rinfret).]

The hour appointed for the consideration of private members business having expired, the house will resume the business which was interrupted at six o'clock.

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed consideration in committee of Bill No. C-207 to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need—Mr. MacEachen—Mr. Batten in the chair.

On clause 2—*Definitions.*

The Chairman: Order. When the committee rose at six o'clock consideration was being given to clause (2). Shall clause (2) carry?

Mr. Orlikow: When the committee turned to other matters at six o'clock I was developing the point that the minister had made a commitment in the house to make an announcement concerning assistance to old age pensioners. The references he made on this matter in the house have been placed on record by my hon. friend from Winnipeg South.

I wish to point out that the minister went further. He and his staff were busy convincing newspapermen, the people who cover parliamentary proceedings and sit in the gallery, that he was waiting and that he would have made a statement on Wednesday, or on Thursday, or on Friday—he could scarcely contain himself, and if only the nasty people in this corner, the members of the New Democratic Party who for purely political and party reasons were carrying on a filibuster would cease their activities, he would come forward and announce his proposal.

Not only did he indicate to the press that he was ready to make a statement, but details of that statement were spilled out. I do not know whether the minister saw the press himself or whether it was his very competent executive assistant who did so, or whether it was his public relations advisor, whom I saw sitting just above the press gallery only about five minutes ago.

I wish to place on record a few of the press stories which I suggest were inspired from the minister's office. They appeared in the press across Canada, not only on Wednesday of last week, but since then. I would begin

with the Winnipeg *Free Press* which carried a story on Friday, July 1, by Victor Mackie. I start with this because I notice Mr. Mackie sitting in the press gallery. It begins:

> Costing the federal treasury nearly $300,000,000 a year Health Minister Allan MacEachen is expected to make an announcement soon that the federal government has decided to provide a transitional old age pension benefit. It will likely become effective Jan. 1, 1967.

Later, Mr. Mackie says:

> The minister is prepared to make the announcement. He wanted to make it Wednesday. But if he made the statement it could close off the filibuster the New Democratic party has launched calling for an increase in the basic old age pension from $75 up to $100 a month and the lowering of the age limit to 65 years.

Then in today's Toronto *Telegram* there is a similar story by Fraser Kelly under the headline: "Aged wait as debate drags on". The story begins:

> Political gamesmanship at the expense of the nation's old people continues in the commons today as members enter their fifth day of debate on the Canada Assistance Plan. Several times last night opposition spokesmen refused to grant Health and Welfare Minister MacEachen the floor to make an announcement about increased pensions.
>
> It is expected the announcement will provide for up to $30 a month assistance beyond the $75 a month now being paid.

On Saturday, July 2, Mr. Fraser Kelly had a similar article in the *Telegram*. This was headed: "Sham pension fight stalls government offer". I wish to read a paragraph or two from this story:

> The House of Commons is locked in a sham battle as the politicians compete to win the favour of the nation's needy old age pensioners.
>
> New Democrats won't let commons business continue until the government has promised a substantial increase to the existing $75 a month pensions.
>
> Health Minister Allan MacEachen has such an announcement to make but he won't make it until the opposition stops calling for it because the government doesn't want to appear to be giving in to opposition pressure.

What was the announcement Mr. Kelly was talking about? The stalemate could end on Monday, the article goes on to say. Then Mr. Kelly says:

> • (7:10 p.m.)
>
> If it does, Mr. MacEachen will announce a program to provide more money for pensioners who won't receive money under the Canada Pension Plan.

The Toronto *Globe and Mail* of Friday, July 1, has a story by Anthony Westell. The heading of that article reads:

> Ottawa plans extra aid for over-65's in need.

I should like to quote briefly:

> Persons too old to benefit from the Canada Pension Plan are to receive a special payment to supplement the $75-a-month old-age security pension.
>
> The cabinet has approved in principle the idea of special assistance, though details of the scheme have not yet been worked out. The legislation is expected to be put before the Commons in the fall.

Then Mr. Westell goes on again to deal with the fact that there would be an increase of $30 a month. Who is playing politics with this question; where did these reporters get these stories which are almost word for word alike? They did not pick them out of the air; they were not smoking marijuana before they wrote these stories. They got them from the minister's office. I wish to suggest to the minister that if, as has been said on a number of occasions—

The Chairman: Order. I must advise the hon. member for Winnipeg North that again the Chair is having some difficulty in attempting to relate to clause 2 the statements he now is making. I would hope the hon. member would adhere as closely as possible to the clause before the committee.

Mr. Orlikow: I think my remarks are in order, Mr. Chairman, because I am discussing the problem of the assistance which will be given to the needy. What I am trying to do is to indicate that what we propose the minister should do, and what the minister supposedly was going to announce at the end of the debate on second reading which ended today, has not been announced. I do not know whether he did not receive the approval of the cabinet in the matter, or whether he got into a huff.

I suggest to the minister that if, as so many newspapermen have said, he really is a serious contender for the leadership of the Liberal party, one way not to get support is to tell newspapermen in advance that you are going to do something and then not do it. Newspapermen, like anybody else, like to be first with what they are doing. The worst thing the minister could do for himself was to leak a story or an idea to the press and then fail to come across. That kind of thing is not going to do any good to the minister. I am not very concerned about him, but I am concerned about the tens of thousands of people who have been waiting and who had high hopes on the basis of what had been said in the house by members like the hon. member for Brantford, whose presence in the house I doubt for the rest of this debate, because I have a feeling he expected the

minister to make a statement which the minister did not make. The people in need had been led to believe there would be an early announcement today about increased assistance, at least of $25 and probably $30 a month.

The minister said he did not intend to make this statement today and that he would make it at some future date. I think even at this late date he would be wise in the interest of himself, his party and particularly the old age pensioners, to make the statement which he obviously intends to make in the not too distant future to the effect that there will be almost immediately an increase in the old age pension.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, when I spoke on second reading of the bill I made my position perfectly clear. I would not repeat some of my words, except that they were twisted this afternoon in the comments addressed to the members of our group. I should like to refer to what I said as reported at page 7048 of *Hansard*:

> Mr. Speaker, if there are members in this house who would like to see this bill killed or who would oppose it, I am not one of them.

Then at page 7049 I went on to say:

> I am not going to go in detail into the new services, but there are such things as child care, homemaker services, provision for nursing in the home, and other forms of health care which are badly needed and which the people in the field realize are badly needed.

Mr. Côté (Longueuil): On a point of order, Mr. Chairman; I doubt very much if a member is allowed to repeat a speech previously given.

Mr. Knowles: Provided it is relevant, it is in order.

Mrs. MacInnis (Vancouver-Kingsway): I thought I might be able to save time by doing this, Mr. Chairman. Am I in order?

The Chairman: I think the hon. member is in order in referring to remarks she made in a previous part of the debate on this same subject.

Mrs. MacInnis (Vancouver-Kingsway): Thank you, Mr. Chairman. I will not take any length of time. I wished to make our position on this abundantly clear.

> In the third place, I think this legislation will give social workers more scope in preventive and rehabilitative work than they have had heretofore. Instead of having to wait until the families and individuals are in a very bad way they will be able to step in at an early stage of distress and difficulty.
>
> The social workers will have much more scope to do preventive work and also to pioneer along new lines of rehabilitation. In the fourth place, I think undoubtedly this legislation will help secure more and more highly trained social workers. This is important in an age like ours where training is very necessary. In the last place, I think it is going to be very valuable because it will include the Indians under the same provisions as other people. I think this is a very essential and long overdue form of restitution which we are making to some of the native people in this country.

[Mr. Orlikow.]

I wanted to quote that, because it was said this afternoon that none of us made any reference to the good and necessary features in the bill.

Now I wish to go on to deal very briefly with one or two of the features in this bill which I think are long overdue and very necessary in this country. I know that social workers in certain parts of the country are looking to this legislation as a means of getting ahead with child care, day care, nursery care, or whatever you choose to call it. In Canada we do not know exactly what we have or how much we need in the way of day care. We do know that we need a great deal more than we have at the present time. We know that in 1965 there were 2,020,000 Canadian women working for pay outside of homes. Of these, 1,054,000 were married; 191,000 were widowed or divorced. Sixty per cent of the married, widowed or divorced women—about 757,000—had children under the age of 16.

Who takes care of these children while their mothers are at work? The women's bureau of the Department of Labour in Ottawa did some research on this in eight Canadian cities. They found that most of these women, 757,000 of them, do not pay for the care of their children. They do not pay for it because they cannot afford to pay for it. Instead their children are left with the grandmother, with another adult or, worse still, an older child.

• (7:20 p.m.)

This is the situation to date in Canada. I was interested to find out how little accurate information on the amount of day care there is available across Canada. I came across a statistical work prepared recently by the Canadian Federation of Business and Professional Women, which indicated a shocking lack of day care services in existence in Canada in relation to the need. British Columbia is one province which is a little better off in this regard than many others, yet in that province there are only 311 institutions of this kind available, including

private nurseries, private kindergartens, kindergartens, co-operative nurseries and day care nurseries. These institutions look after in the neighbourhood of 15,720 children. In addition there are 33 foster day care homes with an enrolment of 192 children. In that province there is provision of this kind for only 15,912 children.

The business and professional women's researcher discovered that in Alberta there was concern on the part of women's groups and family welfare agencies which resulted in the licensing of day nurseries, nursery schools and play schools by the department of public welfare. All facilities in Edmonton, with two exceptions, are privately operated either through a voluntary organization or a private enterprise. The only figures available show that the total number of children provided day care in the city of Calgary is 2,085. Information available in respect of Medicine Hat indicates that some children receive this type of care, but the number is not available.

In the province of Saskatchewan—and the minister will note that that province is under new management—at the present time there is provision for 90 children. In Manitoba no figures are available as to the amount of care provided, but I have learned that there are only four licensed day care nurseries, an unknown number of private nurseries, unlicensed operators and relatives and neighbours who provide this type of service.

In New Brunswick the day care nurseries look after 703 children. When one tries to find information of this kind in respect of Nova Scotia he is reminded of the Iron Curtain, because no information is available. Even the department of public welfare is unable to provide accurate information on the number of children for which day care provision is made. No information is available in respect of Prince Edward Island, Newfoundland or Quebec.

In Ontario information is available only in regard to the city of Toronto and the city of Ottawa. In Toronto some 20,018 children are enrolled in various types of day care schools, and in the city of Ottawa 360 children are enrolled in similar schools.

Admittedly there may be a few more such day care nurseries in operation in Canada than those for which we have figures, but on the basis of our information there are only 39,088 children being looked after through this kind of service. There are approximately 757,000 working mothers; so when you consider that only 39,088 children are being provided with day care, you realize how absolutely impossible the situation is and you wonder what happens to the approximately three quarters of a million children who are being left on their own, without any day care provision.

I believe that this bill will do a great deal to help make funds available for the establishment of day care schools, provided provincial governments and local welfare authorities take advantage of this provision. The next hurdle that must be overcome relates to the lack of information about day care in those provinces I mentioned. I suggest that, because no information is available in this regard, this is a clear indication that provincial governments may not use the provisions of this bill to the greatest advantage. I hope they do, because this is a very far-reaching form of service.

Another form of service which may receive assistance through this measure is the homemaker service, and here again this should be regarded as a preventive service. This type of service which will now become available in Canada I am sure will prevent many Canadian homes from being disrupted and broken. I know nothing more conducive to broken homes than mothers going out to work and leaving their small children without proper care. Homemaker service is a very valuable form of service. I do not know the exact amounts of money that will be made available for this type of service during the remainder of this year, but I hope that when the minister replies he will give us some indication.

Let me make a brief reference to another form of service, neighbourhood services. This is a new service being provided in Canada. There are four agencies at this time in Canada that provide this service and they are located, as might be expected, in the four largest cities. In Montreal there is the Association of Neighbourhood Services; in Toronto there is the Association of Neighbourhood Services; in Winnipeg there are the Neighbourhood Service Centres and in Vancouver there is the Association of Neighbourhood Services. These organizations are all affiliated with the Canadian Association of Neighbourhood Services, the Canadian Welfare Council and the National Federation of Settlements and Neighbourhood Centres.

I believe that these organizations will be eligible for funds under this program because their purposes are: first, to stimulate public interest in the role of neighbourhood services

within the total welfare services structure; second, to serve as spokesmen for neighbourhood services on matters of national concern; third, to serve as a medium for the exchange of information and ideas regarding local and international developments in neighbourhood services; fourth, to co-ordinate neighbourhood service projects of national scope; fifth, to foster fact-finding studies and research in neighbourhood services and provide consultative services; sixth, to establish standards of practice for neighbourhood services and seventh, to encourage the development of neighbourhood services in areas not now served.

The Company of Young Canadians expects to place some of its volunteers in positions with neighbourhood services of the nature I have described, for the purpose of assisting the people in underprivileged areas in finding a better and more adequate way of life. They will help these people extricate themselves from the vicious circle of complete dependency on welfare. Some of these people have been dependent entirely on welfare agencies for two or more generations. These programs will assist them to get out of this situation and once more get into the stream of community living. I hope they will be among the agencies which will qualify for grants under this program.

I believe that training of social workers is another area which deserves assistance. While I am referring to this aspect I should like to point out something I forgot to say when I was speaking the other day. One of the biggest arguments for a flat over-all increase in old age pensions under the old age security plan is the relative lack of highly and properly trained social workers. It is a shame to think of taking our few adequately, highly trained social workers and making them spend their time totting up people's incomes and measuring them against a needs test, when these workers are needed for other much more desirable services such as social and rehabilitative work. I think they should be devoting their time to these things, rather than fussing around about means tests, when we have a perfectly good income tax system to take back the surplus from people who do not need it.

• (7:30 p.m.)

In conclusion, Mr. Chairman, I wish to say that I believe this legislation offers real hope to welfare people across this country and to provincial welfare departments. If the provinces and the local welfare people will take advantage of it, I think it can be made to create a real advance in our social work outlook across Canada. This is a measure that is long overdue and that will be welcomed. The fact that it does not do the big job of looking after the older citizens of this country in the way in which that job should be done does not mean that we do not recognize its value in so far as it goes. We thought we had made that clear before. If not, I hope I have made it abundantly clear that I think this bill has good features and should be welcomed for what it is.

[Mrs. MacInnis (Vancouver-Kingsway).]

Mr. Knowles: Mr. Chairman, I should like to ask the minister a few questions about some of the things that are defined in clause 2. The first one has to do with the needs test. Before I deal with that matter, may I just say that it will not now be necessary for me to place on the record the quotations from *Hansard* which I said earlier I would place on the record, because as the minister knows the hon. member for York South has done this.

I might also say that I hope that now that the minister has got what he asked for today, namely a vote on second reading of the bill on the bill itself, he will reconsider his position with respect to the making of a statement on the situation regarding old age security recipients. I suggest that he might do it when we get back to clause 1 of the bill, or if he prefers to wait until third reading he might do it then. We have had our argument. I now make the appeal to the minister to reconsider his position in the making of the statement that it was earlier his intention to make.

The heart of this legislation, having in mind the things for which it provides, is what is generally referred to as the needs test which it is proposed to establish in place of the means test in various pieces of social welfare legislation. When one looks for the definition of the needs test he has to turn, I would say, first of all to subparagraph (g) of clause 2 which reads as follows:

"person in need" means

(i) a person who, by reason of inability to obtain employment, loss of the principal family provider, illness, disability, age or other cause of any kind acceptable to the provincial authority, is found to be unable (on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements) to provide adequately for himself, or for himself and his dependants or any of them.

There is more to the subparagraph, but that is the main part. The key concepts in

that definition are budgetary requirements, on the one hand, and resources available to the person on the other. The minister has made much of the fact that a difference between the needs test and the means test is that no monetary ceiling is established; we talk, rather, in terms of a person's budgetary requirements. If I may ask the minister to turn back to subclause (a) (i) he will see that there is another reference, which I think is relevant to my question. The reference is to "food, shelter, clothing, fuel, utilities, household supplies and personal requirements (hereinafter referred to as 'basic requirements')." These are the things that are provided for under the general heading of "Assistance." On the side of what a person needs, as opposed to the side of what he has, there are two key phrases, "budgetary requirements" and "personal requirements". There may be other phrases that are important, but certainly those two are pretty important.

It must be obvious that the way in which one's budgetary requirements and personal requirements are defined will be crucial to the administration of this act. In subparagraph (g), which I read a moment ago, it would look as though this business of defining budgetary requirements has been tossed to the provinces, because the phrase used there is, "on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements", and so on. However, a little later in this bill we will come to clause 9. I think I am in order in referring to clause 9 at this moment, Mr. Chairman, because there is in it a cross-reference back to clause 2.

In clause 9 the power is given to the governor in council to make regulations for carrying out the purposes of this act. I note in particular that the governor in council will have the power to make regulations—I am now reading from clause 9 (i) (c) defining the expressions "personal requirements" as set out in clause 2 (a) (i) and "budgetary requirements" as set out in clause 2 (g). The definition of these key phrases is to be left to the governor in council. I recognize that there is provision that if there is an order in council changing the definition of any matter that is important to the act, that change cannot be made until the province concerned consents to the making of such regulation that effects a change. But unless I misunderstand this language, it seems to me quite clear that in the first place the definition of the key phrases "personal requirements" and budgetary requirements" will be made by regulation, in other words by order in council of this government.

• (7:40 p.m.)

Just in case there are any other phrases that need to be defined before this legislation comes into effect, the government has protected itself by the provision in clause 9 (1) (b) which says that by order in council they can prescribe or define anything that by section 2 or this part is to be prescribed or defined by regulation.

Earlier today the Minister of National Health and Welfare took exception to some of the language used by my colleague, the hon. member for York South when my colleague wanted the standards spelled out for us. It seems to me that this is where we can get the standards or, if I may use the expression given to us by the Minister of Finance, the guide lines. I would therefore like to ask the minister to tell us what the standards will be and what definition the government has in mind with respect to the phrases that are contained in clause 2. Surely he will admit that the whole case for a needs test being better than a means test—and both of us agree it is—will depend upon these definitions.

I am also waiting to hear from the minister in reply to the question asked by my colleague, the hon. member for Vancouver-Kingsway.

Mr. MacEachen: The hon. member for Winnipeg North Centre has drawn our attention to two concepts in the bill: first, the budgetary requirements and second, the personal requirements. As I understand it, assistance means aid to persons in need of any of the following items which are contained in 2 (a) (i) which are food, shelter, clothing, fuel, utilities, household supplies and personal requirements. In a sense this provides the basic group of items that must be shared in this particular plan and under which we expect that, in agreement with the provinces, there will be an obligation, as part of the sharing arrangement, to provide these basic requirements, including personal requirements.

I will carry the explanation further by stating that the budgetary requirements are similar to the basic requirements, because presumably in the provinces that follow this budgetary approach, the budgetary requirements will include these basic requirements that are spelled out in 2 (a) (i). It is to be expected that the provincial administrations,

on the basis of community studies, will make a determination of what are these basic budgetary requirements to maintain the support of individuals, and that in cases where variability is necessary, such as for example, rent, this could be added to what is regarded in the social welfare field as the pre-added budget.

The expression "personal requirements" is used in the welfare field to include items affecting the welfare of individuals, including personal grooming, smoking, church support, and items of that kind which would be included in the basic budget.

This is my understanding of the situation. I will attempt to answer any further questions which the hon. member may wish to ask.

Mr. Knowles: Since the phrase "personal requirements" will be defined by regulation of the federal government, as prescribed in clause 9, will that definition be the same all across Canada or will it vary from province to province or even within each province?

While the minister is considering a reply to this question, may I put to him another at the same time? I recognize his point that personal requirements represent one of a list of things such as food, shelter, clothing, etc. However, the phrase "budgetary requirements" as set out in clause 2 (g) is an all inclusive concept. When it comes to deciding how much assistance a person is to get, two factors are considered in their totality, as I read clause 2 (g).

There are, on the one hand, budgetary requirements, and on the other hand, the resources available to the person in need. It seems to me that in this case the definition of budgetary requirements is even more sweeping and crucial to the operation of this act than the definition of personal requirements. Here again I should like to know whether the definition of budgetary requirements, which is to be made by federal regulation, will be the same all across Canada or will it vary from province to province.

May I remind the minister that one or the difficulties that has arisen in the administration of the Old Age Assistance Act, the Blind Persons Act, and the Disabled Persons Act has been the public conflict which has ensued over the regulations. I think it is an understatement to say that the provinces intended to blame the federal government for the regulations because they were passed here, and that the federal government's reply has been that they were passed in consultation with the provinces. I should like to avoid such a conflict in this case and I would like to know just how these regulations are to be passed. Will they apply to the whole country and on what basis will they be established?

Mr. MacEachen: May I say to the hon. member in reply to his question with respect to the regulations that will be developed, that the same set of regulations will be applied to the whole of Canada but that naturally a certain amount of flexibility will have to be applied in their administration with respect to different individuals, because surely the personal requirements of individuals may vary from one end of the country to another. I presume we would include in the regulations a flexible definition of personal requirements which would be broad enough to cover all the necessary items, but which may not be applicable to each particular province. Presumably the requirements of a person receiving assistance in a fishing village in my riding might be somewhat different from the personal requirements of a sophisticated constituent in the riding of the hon. member for York South. We want to provide some flexibility to ensure that various needs are met.

My hon. friend has asked me to draw a distinction between the concept of basic requirements and budgetary requirements, the one contained in clause 2 (a) (i) and the other in clause 2 (g) (i). The basic requirements are food, shelter, clothing, fuel, utilities, household supplies and personal requirements.

• (7:50 p.m.)

Then clause 2(a) continues by referring to prescribed items incidental to carrying on a trade or other employment; care in a home for special care; travel and transportation; funerals and burials; health care services; prescribed welfare services purchased by or at the request of a provincially approved agency; comfort allowances, and so on. The basic requirements are those basic items, and the budgetary items include this additional range.

Mr. Lewis: If I may put it in my words, the budgetary requirements would be the budgetary total of any of the items in clause 2(a) from (i) to (viii), as applied to a particular person or a family. I understood when I read it that 2(a)(i) would apply to everybody because it refers to the basic requirements of life, and the other paragraphs in clause 2(a) might apply to some people but not to others. Some person might need care in a special home, and that would apply to him but not to a person who did not have that requirement.

In view of what the minister has said, I find it very difficult to understand how you can have a federal regulation defining budgetary requirements that would be applicable all over the country. As I understand it, the budgetary requirements would be the dollars and cents application to the total items under clause 2(a) which would be applicable to the particular person or family concerned. This would mean you would put a dollars sign opposite each of the applicable items. I find it difficult to understand how you can do that equally across the country, unless you have a qualitative definition rather than a quantitative one.

Mr. MacEachen: It seems to me, and I am sure this is the situation, Mr. Chairman, that the budgetary requirements would be defined by regulation to include all these items in a broad way. Then, certainly, the provinces would administer these requirements with respect to the needs that were apparent in so far as the individuals were concerned. As my hon. friend pointed out, some individuals would really be affected by the basic requirements, whereas in the application to individuals in the provinces, others may or may not apply but our regulations would be broad enough to cover them all.

Mr. Rynard: I should like to ask the minister a question respecting the disability clause to which he referred when introducing the bill. He said the respective regulations were being lifted. Am I to understand that a fellow who is unemployable would be regarded as disabled? Am I right in that premise? If I am, will this principle be accepted right across Canada as the definition of totally disabled?

Mr. MacEachen: In the application of the Canada Assistance Plan, the important thing is that a person is in need, and the cause of the need is not really a determining factor. For example, under the disability act and regulations a person may be in need but because of his disablement he must, as my hon. friend knows, undergo definite medical tests. What we look at is the fact of need. A man could be unemployable or a man could be employed and receive assistance under the Canada Assistance Plan if in certain circumstances his income is not sufficient to cover his requirements. The cause of the need is not important in our determination, it is the fact of need. In this case, if the case load or if future applications for disability pensions were extended at a given point, that would be a matter of indifference when this program is in effect.

Mr. Rynard: I should like to ask another question. Suppose the wife of this disabled man earns $2,000 a year but, as a result of his disability, he requires a lot of medication and a lot of care; does the fact his wife earns that income take away from his disability pension?

Mr. MacEachen: No, if additional amounts were required to look after both of them, they would be eligible.

Mr. Rynard: Yes, I understand that he would be eligible. Suppose her earnings amounted to $2,340, as they did in a case to which I was referred some time ago, would the disability pension be cut off, as it was in that case?

Mr. MacEachen: This would not be the case under the Canada Assistance Plan.

Mr. Winkler: Is there a ceiling on the amount of income a couple may have?

Mr. MacEachen: No, no ceiling.

Mrs. MacInnis (Vancouver-Kingsway): May I repeat the question I asked a while ago? Has the minister a breakdown of the amount of money that the provinces are expected to require for homemaker and day care services? Is there any projection of that kind available?

Mr. MacEachen: I will try, when we come to the section dealing with costs, to deal with this matter as well as I can, in view of certain limitations.

Mr. Knowles: Would the minister care to relate the subclause in paragraph 2 that deals with health care services to the prospective medicare program? I ask him to believe me when I say I am not trying now to pull medicare out of him. I can do that at the proper time. Should we not know what is going to be the relationship between the Canada Assistance Plan, in so far as it provides medical care costs, and the medicare program itself?

Mr. MacEachen: This was one policy decision that had to be made in order to develop a consistent relationship between the Canada Assistance Plan and the proposed medical care insurance program. In so far as the federal government is concerned, it is prepared to share in the costs of providing

medical care for needy persons in any province until such time as that province has a medical care insurance program in effect. Once it has that program in effect, then of course we will not share under the Canada Assistance Plan, and I do not see why we should. On the other hand, it was a possible position to take, that when the opportunity for medical care insurance was available under another item, we should not even agree to participate under the Canada Assistance Plan.

I took the view that the sensible thing to do was to share until the province in question has adopted a medical care program. Then, we will not share under the federal plan.

Mr. Knowles: Presumably at that point the federal government will be sharing in these people's medical costs under the medical care program?

Mr. MacEachen: That is the idea; my hon. friend will realize there was a decision to be made and if any province refuses, then that problem will arise.

Mr. Smith: In clause 2(g) there is the phrase, "loss of the principal family provider". Perhaps the minister could say a word or two about the exact meaning of that phrase, because we do have situations in which the husband and wife are both employed. If the husband makes a larger salary than the wife, in the event the husband was disabled would the wife become the principal family provider? It is a curious phrase and I think we should have a better definition of those words.

• (8:00 p.m.)

Mr. MacEachen: I suppose that the most definite description of the situation is the death of the husband. Through this definition we apply the provisions of the Canada Assistance Plan to mothers and their dependant children. In the case, for example, of a disabled husband whose wife is the principal family provider, this would operate to assist the family, in this case on the loss of the mother.

Mr. Smith: Assuming that neither is disabled, and at a certain point the wife is making the larger contribution to the family income, is she to be considered the principal family provider, or is it automatically the husband, regardless of income? I think I understand the intent of this clause, which is to provide for cases where one of the parents is missing and the husband or his widow remains. But I do not think the situation is completely clear in the instance where both have been working and then suddenly the husband becomes disabled.

Mr. MacEachen: I think the use of the words "a person who, by reason of inability to obtain employment, loss of the principal family provider, illness", and so on, is an effort to illustrate the principal causes of need. But all cases of need are covered, and my view is that every case of need, regardless of the cause, will be covered. In this case it will be covered.

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Agreement for sharing assistance and welfare services costs authorized.*

Mr. Knowles: Mr. Chairman, I do not wish to speak to clause 4, but I think there is a desire on the part of the government to switch to another item of legislation. We would be quite willing to have clause 4 carry, but we would ask that we carry on with clause 5 at some other time. We are quite willing to switch to another piece of legislation now, if the government so wishes.

Mr. MacEachen: Mr. Chairman, may I move that we rise, report progress, and ask leave to sit again later this day or at the next sitting?

The Deputy Chairman: Order. Shall I rise, report progress, and request leave to sit again later this day or at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the decennial revision of the Bank Act and the extension of the charters of the existing chartered banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the act.

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

Mr. Sharp: Mr. Chairman, the purpose of this resolution is to authorize the introduction of the bill to make the decennial revision of the Bank Act. A bill for this purpose was introduced on May 6 last year, was given second reading on June 14 and referred to the standing committee on finance, trade and economic affairs but did not progress further before the end of the session.

Earlier in this present session a bill was passed extending the charters of the banks until November 30 this year in order to provide time for parliament to consider this important legislation. I intend to deal at this stage only with the general approach of the government and with the major features of the proposed legislation, and to speak in more detail on second reading. Even so, Mr. Chairman, this will require my speaking for more than 20 minutes if I am to do justice to even a general explanation of the purpose of the legislation, and I hope that I shall have the indulgence of the house to go beyond 20 minutes when that point arises.

The Deputy Chairman: Is that agreed by the committee?

Some hon. Members: Agreed.

Mr. Sharp: I should like to thank the committee very much for their kindness on this occasion.

Introducing the bill last year, the then minister of finance related it to the report of the Royal Commission on Banking and Finance and described the bill as a first step, but a substantial one, toward the general objectives proposed by the royal commission. The central theme of the report of the commission was that all our financial institutions, and particularly our banks, should have broader investing and borrowing powers than any of them had at the time the commission reported in order to achieve a more competitive and flexible financial system which will best serve the changing requirements of the Canadian economy.

The government decided that this central theme of the report should be taken as a long-term objective in the evolution of our financial system and noted that already progress had been made in that direction in our legislation relating to insurance, trust and loan companies. The view of the government remains that we must have a more competitive and flexible financial system which will best serve the changing requirements of the Canadian economy and the interests of all the people of Canada.

We are particularly concerned that the position of the smaller borrower be improved. This view is reflected in the substance of the bill that will be placed before you. Changing circumstances and further considerations have led the government to propose a number of changes in the bill that did not seem necessary or desirable a year ago. I shall mention in a moment the particular points of policy which we have changed, but first let me say something about the general background.

As part of the long-term policy to promote competition and flexibility in the financial system, it is desirable that progress be made in the legislation governing all financial institutions, both federal and provincial, and that the measures taken in regard to the various classes of institutions should be related to one another in such a way as to achieve this broad objective. Already we have done this in considerable measure in regard to our federal institutions, and I expect that we will be able to carry the process further, not only in our banking legislation and our legislation relating to trust and loan companies and insurance companies, but also in subsequent legislation regarding corporations and related matters, especially with regard to the disclosure of information.

Officials of the federal and provincial governments have recently met to discuss these and related matters. Out of this activity of both levels of government will come, I trust, a broadly integrated approach designed to improve our financial system as a whole so that it can better serve Canadian individuals and Canadian business.

I might also note that on May 27 I wrote to the provincial treasurers and ministers of finance of the provinces stating that I am prepared to convene a federal-provincial meeting on the subject of consumer credit and interest disclosure, which is so important to those Canadians who buy on the instalment plan or who borrow from finance companies. Although not all the provincial ministers have yet replied there is general support from those that have and I expect to be announcing a date for the conference some time in the near future.

• (8:10 p.m.)

The constitutional situation relating to the jurisdiction of parliament over banking was reviewed by the minister last year in speaking on the resolution, and on second reading. I shall not endeavour to review it

again this year. The bill we are now proposing relates only to the Bank Act without change in the jurisdictional scope of the existing legislation. It has, of course, been preceded by a bill to amend the Bank of Canada Act and will be followed by a revision of the Quebec Savings Banks Act. The then minister indicated that the government intended to give further consideration to possible changes in the clearing system, including suggestions made by the royal commission, and would bring forward legislation on this general subject, which seems clearly to come within parliament's jurisdiction over banking. We still have this in mind for a future year.

A system of insurance covering deposits in certain financial institutions would I think contribute substantially to our general objective of greater competition and flexibility in our financial system. It should be of help to new banks in getting started and growing, and it should be of help to trust companies and loan companies in developing their deposit business within the ambit of the legislation affecting them.

Events of last summer and the anxiety to which they gave rise concerning the position of a number of financial institutions have confirmed our belief that a system of deposit insurance would reassure the public as to the safety of deposits in insured financial institutions, and would provide in addition a residual source of liquidity for these institutions in circumstances where their liquidity might be in question. Such insurance would need to be accompanied by effective inspection and adequate regulation to safeguard the position of the insured institutions.

The government intends to introduce legislation during this session to establish a crown corporation in which the banks and other federally incorporated institutions would be required to have their deposits insured. Insurance premiums would have to be paid, although we believe these could be relatively low and would reflect the fact that the overall risk involved is likely to be small. The corporation would be authorized to insure the deposits of provincially incorporated institutions where this was desired by the institution and the provincial government concerned. The government will discuss this matter with the provincial authorities.

The bill introduced last year included a number of proposals intended to further the objective of greater flexibility in the working of our financial institutions and greater competition between them. There were for example the proposals to enable banks to make conventional mortgage loans, to exempt mortgage loans from the maximum limit on interest rates, and to reduce the minimum cash ratio required against Canadian deposit liabilities. There were also provisions, to which I attach considerable importance, to prohibit agreements between the banks on interest rates both on deposits and on loans, and to prohibit bank mergers unless approval by the government has been obtained. Similar measures are included in the bill which it is our intention to introduce at the time of the approval of this resolution. In some cases there have been changes of detail. In addition, however, the present bill contains several further changes which will enable the banks to give better service to the public in circumstances which should increase competition among banks and between banks and other financial institutions.

The first of these changes is one to which I have referred in introducing the Bank of Canada Act. It is to accept in principle the recommendation of the royal commission that the cash reserves required on notice or term deposits should be lower than that on demand deposits. This will enable the banks to compete more actively with other institutions for term deposits. The weighted average cash requirement, based on the present distribution of deposits, would be slightly less than the 7 per cent proposed as a uniform ratio in last year's bill. The bill will provide for a gradual transition to this lower cash reserve requirement.

It is also proposed to enable the banks to compete more actively with other institutions for longer term funds. Many of these other institutions borrow a substantial amount of their funds by issuing debentures, whereas banks have been restricted to accepting deposits. Many banks in the United States have been issuing debentures in recent years and there seems no reason why our banks should not be able to do so. It is proposed therefore to allow banks to issue debentures which in priority will be subordinated to deposit liabilities, limited in total amount in the case of each bank to one half of its paid up capital and rest fund. This further source of funds should benefit bank borrowers generally.

The other major change which has been made in the bill is in respect of the ceiling on interest rates. The bill introduced last year

would have continued the existing 6 per cent limit. The minister stated, and I am quoting from his speech on second reading:

If at some future time there should be a general rise in world interest rates which would make these proposals unworkable, the government would reconsider the 6 per cent limit.

In fact there has been a general and substantial rise in interest rates in the western world. In the past year the rate of discount in our treasury bills has increased by about one and one quarter per cent, the rate of interest on long term corporate bonds has increased about three quarters of one per cent, and the rate of interest on conventional mortgages has increased by the same amount or somewhat more. As hon. members of the house know, interest rates in the United States and in Europe have increased substantially.

When the bill was introduced last year, the prime rate of interest on loans made by the banks was 5½ per cent. The ceiling of 6 per cent, therefore, did not directly affect the prime rate. Its main effect was to limit the ability of Canadians to obtain the more risky or more expensive kinds of loans from the banks.

Now the general increase in interest rates has brought the prime rate of interest on loans made by banks up to the maximum rate permitted by law. All flexibility is gone. No variation in interest rate is possible to take into account the credit standing of the various borrowers, or other circumstances which would normally have a bearing on the interest rate. For all borrowers in the country, other than the Government of Canada, with perhaps minor exceptions, bank credit is now the cheapest source of credit available. Bank loans are in fact being rationed. In practice, this means that larger borrowers who could and should be seeking funds in the market are obtaining funds from the banks which would otherwise be available to the small borrower.

The royal commission had some pertinent observations to make on this kind of situation. I quote a few sentences from the report:

The distorting effects of the 6 per cent ceiling have been most acute in periods of credit restraint when the banks have been prevented from raising their rates on loans and deposits in line with market forces. At such times they cannot compete equally for funds and thus have no choice but to resort to arbitrary rationing procedures in their lending. The problem is further complicated by the fact that borrowers tend to press in on the banks because their lending rates remain artificially attractive while others rise.

There is no doubt at all what our long-term policy should be. The government accepts the view of the royal commission—and I quote again—that—

—the ceiling stands in the way of flexible lending by the banks in that it frequently prevents them from making loans on which higher rates must be charged to cover administrative costs and risks. Obviously, this is to the banks' disadvantage; more importantly, however, it discriminates against borrowers such as small businesses which, if they are to obtain funds at all, must turn to other lenders which charge rates well above those the banks would ask if free to do so. The banks have only been able to compete in the personal instalment loan market—in which they have substantially improved the facilities and lowered the average cost of funds—because the authorities have accepted what some might argue is a breach of the spirit of the 6 per cent law. This, however, is not an argument for forcing the banks out of this business, but is instead one for amending an outdated law.

That is the end of the quotation from the royal commission.

I also draw the attention of the house to the Second Annual Review of the Economic Council of Canada, published in December, 1965. In their conclusions and recommendations relating to monetary policy, the council said:

• (8:20 p.m.)

At the same time, the instabilities which have arisen in Canada's financial markets during the past year urge a careful reconsideration of both the needs and possible methods for improving and strengthening Canada's existing framework of financial institutions. More generally, to minimize distortions and instabilities in credit and financial markets and to ensure easier access by home-builders, consumers and small business to credit, various recommendations of the Royal Commission on Banking and Finance deserve careful attention —including measures to promote more competitive credit conditions and removal of the arbitrary 6 per cent interest rate ceiling which currently forces many small borrowers into loans at much higher rates.

That is a quotation from the second and most recent report of the Economic Council. The clear message of both the Royal Commission and the Economic Council is that Canadians should not confuse the shadow with the substance. The present bank interest ceiling which appears to some to protect the smaller borrower in fact only protects those who are fortunate enough to be able to obtain bank credit, and forces the others to seek funds from other sources at higher cost.

The house will be aware, however, that the Porter commission made its report in 1964 at a time of comparative ease in credit conditions and that even in the months since the

Economic Council prepared its Second Annual Review there has been a strong surge of inflationary forces which has made it necessary to permit rising demands for credit to have an impact on credit conditions.

The puzzling problem is to decide what should be done in the changed and abnormal circumstances which now prevail when general economic conditions require that the expansion of credit be restrained. Although there is an economic case for removing the ceiling, even now we think this would be unwise, if only because the transition to unrestricted competition under present abnormal conditions could be abrupt and substantial and might well cause serious apprehension.

After considerable discussion—

Some hon. Members: Oh, oh.

Mr. Grafftey: Explain.

Some hon. Members: Oh, oh.

Mr. Sharp: —after very considerable discussion, the government has reached the conclusion that the law should provide for an objective test, in accordance with which the ceiling on interest rates will be removed when credit conditions have become substantially easier and when the present abnormal conditions that involve widespread rationing do not prevail. In the meantime, however, we feel the maximum rate should be adjustable to reflect changes in the general level of interest rates, which will help to reduce some of the distortions and injustices produced by the present rigid ceiling.

The interim arrangement in the bill making the ceiling adjustable should alleviate some of the consequences of the present situation in which the banks are the cheapest source of credit for larger borrowers. Some of these larger borrowers should be induced by this change to borrow in the securities market where rates are now moderately above the present ceiling rate on bank loans and this should enable the banks to lend more to other customers. Smaller borrowers who do not have the credit standing to borrow from the banks at a 6 per cent rate should have a better opportunity to get loans from the banks, instead of having to resort to other more expensive sources of credit.

Those who put their savings into bank deposits rather than other forms should be able to get a better return—particularly on the smaller deposits which have not benefited so far from the competition which has led to higher rates on large corporate deposits which can be handled at less cost. In general, we shall be making a start toward the more competitive system which can be brought into effect when the current abnormal credit situation relaxes.

At an earlier stage of consideration of this question, an arrangement had been suggested to me by which the ceiling on rates would be removed on larger loans but retained temporarily on smaller ones. I came to the conclusion some weeks ago, that we should offer no inducement or even excuse for banks to favour larger borrowers in the allocation of credit at this time when the total amount must be under restraint. Consequently the formula proposed in the bill treats large and small borrowers alike.

Some hon. Members: Hear, hear.

Mr. Sharp: In our opinion the best available basis from which to fix the maximum rate and eventually to measure the credit conditions under which the ceiling should be removed is the average market yield on short term government bonds. While several alternatives have been considered, the formula that is being submitted is reasonably simple and responsive to underlying credit conditions. I hope that when the bill is before the standing committee on finance, trade and economic affairs, to which I intend to ask that it be referred, the formula which is proposed will be examined with care to ensure that it is the best alternative to achieve our objectives.

Naturally, no one can say just when general interest rates will decline to the point that will release the ceiling on bank interest rates. I would hope it would come sooner rather than later, so that the proper development and evolution of our financial system as a whole can proceed on the basis of effective competition. Meanwhile, the provisions relating to mortgage lending, which have been somewhat modified from those in the bill of last year, will permit a greater measure of competition forthwith in this field, and this, I am sure, will be welcomed by the public. The bill will also permit continuing competition in the field of unsecured personal loans where the competition of the banks has resulted in a reduction of the rates paid for consumer credit. The experience with these consumer loans is, I think, an indication of the beneficial influence we can expect over the longer term by competition between the banks and other institutions.

Turning now to other matters being dealt with in the present bill, I would note that the government has decided to leave unchanged the provision in the present Bank Act that new banks shall be established only by special act of parliament. In last years' bill it had been proposed that new banks be incorporated by letters patent with the House of Commons having the right to nullify such letters patent within a stated period of time. After considering all the circumstances that could be involved, it has appeared to us that this long standing authority should remain with parliament. However, if further discussion on this point should indicate a general feeling that incorporation by letters patent is preferable, the government would be prepared to consider an amendment along these lines. Under either provision we would favour the establishment of more banks as a means of increasing competition.

The clause in last year's bill which would limit the over-all size of a bank in which one shareholder has a substantial interest—that is, a minimum of a 25 per cent interest—by reference to the amount of its authorized capital, has been continued in this bill. A bank which is dominated by one large shareholder, particularly if that one is an able and aggressive foreign bank, is not in the same position as other banks whose shares are held by many investors and which naturally have to increase their capital and issue additional shares from time to time as their business expands. The government does not believe that any bank should be an exception to the general situation in this respect. This measure of control need not involve any inequity.

One other change should probably be mentioned at this time. On second reading of last year's bill, the minister indicated government willingness to consider an amendment which would permit certain agencies of provincial governments, such as pension funds, to acquire modest amounts of bank shares perhaps on a non-voting basis. It has been decided to include this change in the present bill so that certain types of government funds will be able to acquire bank shares on a non-voting basis subject to the same over-all 10 per cent limit for the funds of any one government as applies in the case of other shareholders.

Provisions in the bill of last year limited to 10 per cent the number of voting shares that a bank would be permitted to own in any other corporation and limited to one-fifth the proportion of directors of a corporation who could be directors of any one bank. These provisions we propose to continue and in addition, after the ceiling on the loans interest rate is removed and the banks have come into more direct competition with other deposit-taking institutions, this bill would provide that a director of any such institution, sometimes referred to as a near-bank, will not be permitted to become a director of a bank.

Finally I come to a point that has been the subject of much controversy at the time of previous revisions of the Bank Act. I have reached the conclusion that the shareholders of a bank and the public are entitled to have more complete information with regard to the financial operations of our banks and, for this purpose, this bill contains provisions which will require each bank for the first time to disclose in its annual financial statements the amount of its so-called inner reserves that have been created out of taxable income and the amount of its realized profits and losses during the year on investments and loans. The question of the extent to which the banks may create reserves free of taxation I am leaving until we have had an opportunity to receive and study the report of the Carter commission.

• (8:30 p.m.)

In addition to the more important matters which have been mentioned, there will be a number of minor changes as compared with the bill which was introduced last year. The time available for discussion and comment has enabled us to propose detailed improvements of a technical nature.

I should like to re-emphasize the determination of the government that the fresh winds of competition shall permeate our system of banking and finance. We are determined that the system shall operate in the interests of the greatest number of Canadian consumers and businessmen. We are determined, in particular, that the interests of the small borrower and the small businessman shall be protected and furthered. We believe that the most effective way to achieve these ends is to encourage and to enforce competition. In this view, the government is supported by the Royal Commission on Banking and Finance and by the Economic Council of Canada. If there are many competing sources of loan funds and many institutions freely competing for the custom of the consumer, we are convinced that he cannot help but benefit.

May I, in conclusion, review some of the measures that we are proposing today to bring about the competitive conditions in our financial system that I have been describing.

1. We propose that banks should not, after July 1971, be able to hold more than 10 per cent of the voting stock of any Canadian corporation, including what are popularly known as near-banks with which the chartered banks will be competing for deposits and loans.

2. We propose a number of measures which will cut through the system of interlocking directorates. For example—

(a) a director of one bank may not be a director of another bank

(b) not more than one-fifth of the directors of the board of any single Canadian corporation may sit as directors of any one bank. This will produce a considerable revolution.

(c) after the interest ceiling has been lifted, no director of any near-bank such as trust and loan companies that accept deposits from the public may become a director of a bank.

3. Agreements among banks on interest rates on both loans and deposits will be prohibited. Mergers of banks will continue to require the approval of the government. In other words, the main underlying principles of the Combines Investigation Act will apply to banks.

4. In order to provide maximum flexibility and to ensure that the banks can serve the smaller and riskier borrower as well as the larger and stronger, we intend that the present interest rate ceiling be eventually removed. This will occur when credit conditions have eased sufficiently to ensure that borrowers will benefit from competition. In the meantime, a ceiling realistically related to general interest rates will be maintained.

5. We propose to require the banks to reveal to the public for the first time their inner reserves created out of taxable income.

6. In order that the important questions affecting consumer credit may be examined in relation to all credit-granting institutions, I intend to call a federal-provincial conference in the near future to deal with this matter.

7. We propose to strengthen substantially the competitive position of the so-called near-banks through a system of deposit insurance. This will increase their ability to attract deposits and strengthen public confidence in them.

8. The proposed system of deposit insurance will help promote the creation of new banks by strengthening them in the early stages of their development.

9. We propose to allow banks to make mortgage loans. When the banks entered the personal loan field a few years ago, the interest rates paid by small borrowers were reduced. We expect the same beneficial effect from more competition in the mortgage field.

10. We propose to establish new flexible and reduced cash reserve requirements to enable banks to compete more actively with other institutions for loans and deposits.

These changes now being proposed in the act, as well as others to which I have referred, will permit, encourage and indeed require competition. The Canadian banking system is world renowned for its financial integrity and stability. Our banks now must become more flexible in their ways of doing business and learn to compete more effectively among themselves and with other institutions. It is my intention that the prohibition of agreements on interest rates shall be enforced. I would hope and expect that there will be competition in the rates charged on loans and in the interest rates and other terms offered on deposits. I would hope that we will see more frequent changes in the rates of interest that they charge, and that they offer, in response to market changes. I do not believe that competition should merely extend to the quality of service. There seems to be more room for individual banks to differ in the nature of the services they render. For example, it is surprising that banks have experimented so little with variations of office hours.

The bill will provide a blueprint for competition. I trust that in the next decade we will witness a significant modernization of our banking system.

When the bill has received second reading, I propose that it should be referred to the standing committee on finance, trade and economic affairs for detailed study.

Mr. Monteith: Mr. Chairman, may I just ask the minister a question. I think he intimated that the ceiling on interest rates of loans would be tied to the average market yield of short term government bonds. Just what is the formula by which means they are going to be tied to the industry?

Mr. Sharp: Mr. Chairman, that will appear in the bill; but, as I said, there will be a percentage spread between the average rates over a period of short term government

securities. When the resolution has been approved the bill will reveal all the terms.

Mr. Fulton: What will be the percentage spread?

Mr. Sharp: Mr. Chairman, I do not think this is an appropriate question. I have spoken in general about the type of legislation. I do not think it would be appropriate for me to go into the particular terms of each clause.

Mr. Fulton: Mr. Chairman, with respect, I suggest to the minister that this is one feature of the bill which is perhaps the most difficult as well as the most important. I think it is quite unusual—and I will be restrained in my language—for the minister to skirt so carefully the most important feature of the bill without giving the house and the country some idea of what he proposes. He is asking us to approve this in principle without giving us the information. I think the house is entitled to know what is the interest spread in what the minister has in mind.

Mr. Sharp: There are many details of this kind scattered through the bill. I do not think it appropriate for me to give the details at this time. The details are included in the bill and we propose to bring forward the bill just as soon as the resolution is approved.

Mr. Diefenbaker: Mr. Chairman, the committee has listened to a recital by the minister of a variety of generalities. He has refused to give particulars. He asks the house to accept his general view as expressed in the resolution. By his attitude he has indicated that we are supposed to accept a resolution unexplained and apparently unexplainable, a proceeding as unusual as it is unjustified.

• (8:40 p.m.)

I say at once to the minister that he has simply placed before the house a hodgepodge of uncertain plans with a few definite conclusions, unchanged from last year, and he has asked the house in faith to accept from him the assurance that if the resolution is passed there will be revealed to the house various matters which up to the present time have not been elucidated or explained in any way.

I am going to speak for a moment on the general purposes of Bank Act revisions and then deal with several of the matters to which the minister alluded. All of us are agreed that we must share in this nation in the maintenance of confidence in our financial system. A royal commission was set up by the government, of which I had the honour to be the head, under Chief Justice Dana Porter. It studied the banking situation for 30 months. In May of 1965 this government, after 11 months of study, brought proposals before the house and the country with the objective of a more open and competitive banking system and another objective, to remove the restrictions which impede response to new situations and to explain the need for revision long overdue.

A commission is set up and it makes recommendations, and I am going to refer to that in general in a moment. The government found itself in a dispute between the forces of the hon. member for Davenport and the present minister. According to the press, tremendous controversies have sprung up. Unity at any price is apparently the objective. What amendments have finally been determined? Out of chaos and uncertainty the government produces formulae of compromise. I do not have to go beyond this evening's issue of the Toronto *Star*, which is accepted in Liberal circles as the essence of all that is good, proper and appropriate.

The heading in that newspaper tonight is "When Marchand and Sharp Both Threatened to Quit". In the last few weeks there has apparently been a tremendous division. The article written by Martin Goodman states:

> The threatened resignation from the federal cabinet of immigration minister Jean Marchand was the hidden factor that caused Prime Minister Lester Pearson to order a delay in bringing forward the revised Bank Act two weeks ago . . .
>
> And, after finance minister Mitchell Sharp forced Pearson to reverse that decision by threatening to resign himself, one of the things that soothed Marchand and kept him in the cabinet was Sharp's agreement to okay increased aid to the aged—but only in the fall.

I emphasize the word "soothed", because when one sees some of the recommendations that were made by the minister this evening it becomes obvious that there was a great deal of soothing syrup used by the minister to bring about a feeling of equanimity. The article states:

> One of the things that soothed Marchand and kept him in the cabinet was Sharp's agreement to okay increased aid to the aged—but only in the fall.

What a government this is. We hoped this afternoon to hear an explanation by the Minister of National Health and Welfare as to what the plans are to end poverty. This article in the Toronto *Star* states:

> This hidden relationship between two of the government's major decisions—the removal of the 6

per cent interest ceiling in the Bank Act and $30 aid to needy pensioners—has been pieced together over the last week . . .

It is a tale of two threatened resignations, of a holiday weekend spent in feverish negotiations and, at the end, of a political saw-off that saw both Sharp and health minister Allan MacEachen emerge with important cabinet victories.

What a revelation as to the way in which these people in office produce policies for Canada. The article then states:

The Bank Act legislation is ready to be presented to the Commons and, at an opportune time, MacEachen is to announce the government's intention to give more aid to the aged.

The announcements will culminate six months of political manoeuvring by Sharp and MacEachen to win cabinet approval of their goals.

That is a magnificent story and it shows how utterly hypocritical is the attitude taken by the government in connection with this matter. The article then states:

At one point, MacEachen led 26 unhappy MPs into Pearson's office to plead for more assistance.

What a government. It goes on to state:

Early in June, Sharp finally got his way with the Bank Act.

Although the majority of the cabinet had political qualms, Pearson gave his approval . . .

Overworked and under pressure, disillusioned with some of the direction the so-called reformed party was taking, Marchand regarded removal of the interest ceiling as the last straw.

We know now that the ceiling is not being removed, so apparently all of those discordant elements almost threw them, you might say, into the cave of Adullam. The Old Testament speaks of the gathering together of the afflicted, the uncertain and the fearful. These people met together in a cave of Adullam.

The article then states:

At any rate, Sharp, conscious of the need to soothe ruffled feelings within the party over the Bank Act, finally agreed to an increase.

That is a reference to the increase to pensioners of $30 a month. Mr. Goodman then writes:

Meantime Sharp, too, was caught up in the effort to persuade Marchand to stay in the cabinet.

Mr. Sharp: You should get better bedtime stories than that.

Mr. Diefenbaker: This is all a bedtime story and it has been a bedtime story all along. That is exactly what this is. The minister says this is a bedtime story and I shall deal with that in a moment.

[Mr. Diefenbaker.]

• (8:50 p.m.)

They met together—the most frightful commentary on a hapless government that has ever been given to the people of any country on a matter as serious as amending the Bank Act. They waited. They thought. They compromised. They brought together those on the left and those on the right. Within the cabinet there was disagreement. Outside the cabinet—and it is the only time in Canadian history that there has been a cabinet and a shadow cabinet in the same government—the shadow cabinet under the member for Davenport, with the assistance of the member for Outremont-Saint-Jean, pulled one way. Neither of these former ministers is in the chamber tonight.

Is that a way to bring about amendments to the Bank Act, for a government to play around with this problem for 11 months? They postponed the matter and this evening instead of formidable and important changes to meet the challenges of the changing economy we have a series of uncertain, unstable compromises designed to hold unity in the government among those who support it, regardless of consequences to the country.

Let us examine what the commission recommended. It recommended the abolition of the statutory 6 per cent interest ceiling on bank loans. It recommended allowing mortgage lending by banks. It recommends that all institutions doing banking business be brought under the federal Bank Act. There was no suggestion of that whatsoever in what the minister said this evening. There was a suggestion that if companies incorporated under provincial legislation, and the province which they are incorporated, decide to accept deposit insurance, it will be brought into effect.

The royal commission recommended full disclosure of interest rates on all credit. There is nothing in what the minister said to give effect to that recommendation. The Porter commission went on to say that near-banks should be brought under the Bank Act. This could be brought about by agreement with the provinces. It recommended that there be action taken to stop concentration in the financial community. There is no awareness of the other matters that were recommended, excepting fuller financial disclosure by corporations. The commission might just as well never have sat. What has been produced is simply an arrangement whereby the highest common factor relating to changes and amendments is to be recognized. The

caucus, according to the press references, would not stand for removal of the interest ceiling. And what do we get? We get the production of a plan as outlined by the minister, and he will not even give us the full detail.

Mr. Sharp: Yes I will; just as soon as the resolution is passed.

Mr. Diefenbaker: The minister cannot get around it. He went into detail in those matters that he wanted to reveal, but when questions were asked by the hon. member for Kamloops and the hon. member for Perth the minister immediately hid himself from possible cross-examination and took the attitude, "I cannot give you this information because, after all, we are in committee." What have we got here? A government afraid to face these issues; a government afraid to take a stand on behalf of Canada, lest it risk unpopularity.

Mr. Jorgenson: How could it be more unpopular?

Mr. Diefenbaker: We have had a series of reports of what has happened. I have the clippings here but I shall not dwell on them this evening. They show the changes that have taken place. During the election campaign the minister said to his friends, "The ceiling will be removed." Does he say he did not undertake to do that?

Mr. Sharp: Yes.

Mr. Diefenbaker: In January after the election the press reported that the interest ceiling would be lifted and the minister was going to take a courageous stand.

Mr. Sharp: The press also said you were going to resign.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I must say that I want to have the full benefit of these interpolations. What was the nature of that one?

Mr. Sharp: I said that the press also said you were going to resign.

Mr. Diefenbaker: Mr. Chairman, it is well to keep silent rather than make interruptions in a voice and manner that cannot be heard. The caucus convened. In February he sent his parliamentary secretary to placate the members of caucus, according to the press. On February 1 it was reported that in the first week of January the hon. member for Davenport sent a letter to the finance minister setting out his views and warning the finance minister that he might have to state them publicly. He suggested in the letter, as reported in the press, that the Minister of Finance should consult him before acting; but the minister did not do so.

It is a strange situation. Where tonight is the member for Davenport? Have the ideas he uttered a year ago, accepted by the Prime Minister and the government as orthodox finance, become unorthodox in the last year? What has brought about the change? What has happened? As one press man with the Toronto *Globe and Mail* who seems always to know what is going on in Liberal circles said on February 15, there really was not a revolt among the members of the Liberal party. He said there was no revolt. They could not revolt because—and the second "because" was this—the minister had not yet declared his position on the interest ceiling. He went on to express the assured hope, in consequence of discussions with an individual usually most reliable, that the minister was going to insist on the removal of the 6 per cent ceiling. He did say as did the minister this evening, that the former minister of finance, the hon. member for Davenport, had stated that if at some future time there should be a general rise in world interest rates which would make these proposals unworkable, the government would consider the 6 per cent limit. What have they done? Are they going to bring about competition, to which the minister paid lip service? Will they ensure that the near-banks and trust companies are brought under federal supervision which could be achieved by arrangement with the provinces? What has been the actual reason for the concessions and changes that have been made? There were two essential issues: first, the ceiling—now forgotten.

• (9:00 p.m.)

All through the last few months we have been following the situation. We read in the Toronto *Globe and Mail* of February 15 "Interest ceiling bedevils Liberals". Then, on April 15, it said: "Sharp likely to remove 6 per cent bank interest". On May 26 it said: "Liberals split over banking act changes". On May 21 Victor Mackie of the Winnipeg *Free Press* wrote "Bank rate to be raised". On May 27 the Toronto *Star* wrote "P.M. follows 'Walter Sharp' line". On June 31 it wrote "Bank act is coming and the 6 per cent ceiling on bank loans will be lifted".

The minister produced this unsatisfactory compromise which bears no regard whatsoever to the recommendations of the Porter commission. Where is the courage about which the Prime Minister spoke on April 23, 1963? Where has it gone? It has certainly not come to rest in the soul and heart of the Minister of Finance.

Arguments have been advanced on all sides in support of the freeing of the bank rate. The public argument is that it would permit the banks to enhance their profit position; that it would compel a shift to higher rates; that it would increase the cost of doing business. On the other hand the counter-argument is advanced that if the ceiling were removed, it would actually bring about expansion and development, would be beneficial to the small borrower and would assure depositors of higher rates.

What has the government done after all these months and months of gestation? It produced after much postponement a monstrosity on the subject of interest rates. It would have taken courage to have followed the recommendations of the Porter commission, but the minister's stand in the election campaign was the 6 per cent interest rate ceiling should be removed. He told us he did not hold that view, but all I can say to him is that in the city of Toronto there are many of those in high finance who must have misunderstood what the minister had said.

Here is the finest example of this government's attitude. Its major characteristic has been to act in the wrong way at the wrong time and for the wrong reasons. They speak about weightlessness in space: We have it in the present government. What is the position of the government? I can see the Prime Minister and the Minister of Finance sitting down together and discussing the matter. They say to each other "If we remove the ceiling, what will happen to the support in our party? What of the two leaders in the shadow cabinet?" They say: "If we don't do something we will be in trouble. Isn't there some formula that we can produce that will fool everybody?" That is what they have done.

Talk about a bigamous government—a government committing political bigamy. It is married to those who want an increase in interest rates and it is betrothed to those who oppose it. It is an amazing performance, and we are asked to take seriously the recommendations of the minister in this connection.

The delay in bringing in these amendments has been harmful to Canada. It has been seriously harmful to small businessmen, who have found it impossible to get necessary funds because the banks do not know what the rate will be. The government's tactics have contributed to the tight money situation in this country, and nothing whatsoever in the amendments proposed in connection with the interest rate will do anything to help the businessmen in our nation—not a suggestion.

Mr. Basford: What is your policy?

Mr. Diefenbaker: That is the finest contribution the hon. gentleman can make from a sitting position.

The minister says to us "Don't worry about this. When the bill comes in, you will understand." All I can say is that it would have taken courage for the government to have faced the issue.

An hon. Member: Which they have not got.

Mr. Diefenbaker: That is not the distinctive quality of the present government. They are asking the members of the opposition to bail out the government in the division in which it finds itself—its members divided, uncertain, critical and threatening. That is indeed an unusual type of incubator for the production of legislation beneficial to the nation.

What about some of the other recommendations? I do not want to take more than a short while to deal with them. The minister laughs.

Mr. Sharp: I was not smiling at what you said.

Mr. Diefenbaker: He laughs. I want to tell you that those people to whom he has promised the removal of the ceiling would enjoy seeing him as he smiles derisively at the substitute for action that he has produced. He did not dare face reality. He admitted tonight that he started off with a plan whereby the interest ceiling would be maintained up to a certain level of loans. I believe the figure he mentioned was $25,000. That would have destroyed small businesses in every part of Canada. The banking institutions would not have made loans at the lower rate of interest, realizing that they would be getting a larger rate of interest on larger and more compact loans. When that did not work, they came up with a further alternative.

What are the other plans to alleviate the general situation? The minister did not deal with that in any detail. It has been taken for granted that the chartered banks will be allowed mortgage lending at the going rates.

But if the restrictions are similar to those that were provided in clause 77, subclause (2), paragraph (b) of last year's bill, which indicated that land itself was the only acceptable security, they would exclude many other securities that should be available.

• (9:10 p.m.)

What about the bank from New York? What is going to be done about the Mercantile Bank? I should like to have heard something about that. I know the review was as elusive as the explanation regarding interest. What changes were made in the plan that was evolved last year by the former minister of finance?

Mr. Sharp: No change.

Mr. Diefenbaker: No changes; so, the position is this: On the one hand, the minister says we are going to encourage competition and, on the other hand, he says he is going to place that bank in a position of being subject to retroactive legislation, the most dangerous kind of legislation that could possibly be brought before a House of Commons. I hold no brief for the Mercantile Bank. I was not a visitor or a guest of those connected with that bank, but it is unfair, it is unjust that a bank that came in under the law as it was should be subject to the arbitrary *ipse dixit* of a government.

Why were near banks not brought under control? What action was taken in this connection? Why is it that the actual rate of interest which is to be charged by the banks should not be revealed? The 6 per cent rate is regularly eluded. Indeed, most borrowers find themselves paying 8 per cent or 8½ per cent, even though there is a ceiling of 6 per cent, simply by means of requiring the borrower to leave a certain percentage of his loan on deposit as well as by way of certain service payments that have to be made.

Now then, we come to the next idea. You know, Mr. Chairman, it was interesting to listen to the minister. When he was dealing with unimportant things, he spoke with power. When he dealt with the interest rate, he spoke in a rather low, uncertain voice. When he came to deal with interlocking directorates and share ownership between banks, you would have thought this was going to do something to save the nation. Will it mean that the Royal Trust and Montreal Trust will have to be separated from their banks within five years, as was provided last year? Will provision be made so that banks can split their stock and have as many vice-presidents as they wish, as was provided last year?

The minister says it means an individual cannot hold more than 10 per cent of the issued shares of one bank; that was the plan last year. Will last year's plan that no bank can issue more than 25 per cent of its shares to non-residents be maintained? The minister indicates that that term will be there. The Royal, the Imperial Bank of Commerce and the Bank of Montreal may have exceeded this term already. But these are comparatively trivial matters. The essential recommendations were, as I said a moment ago, first, the removal of the ceiling on interest; second, the bringing of near-banks under the authority of the government. Why were these things not revealed and examined?

They talk about a revision. Last year the bill ran to about 110 or 112 pages, of which no more than 12 pages represented any changes. If I may summarize, Mr. Chairman, I say what is being done is simply a repetition of old acts. I went back through the years and read all the *Hansards* back to confederation on this subject. I read the Porter commission report in detail, and carefully. The changes that are being made in the revision represent less than 5 per cent. The material changes that have been made are founded on political expediency; they are pallid, timid, fearful.

I looked forward to this new, aggressive Minister of Finance, expecting changes that could not be agreed upon by his predecessor. What we have is simply a bill with a few slight changes based on expediency and compromise. The interest ceiling provision is neither fish, fowl or red herring. The section that was placed before the house by the minister shows "Sharp" manipulation rather than economic need. I should like to hear the views of the former Minister of Finance. He has dealt with these things in his book. Apparently he has converted to his philosophy many of those who sit opposite. He did not succeed in securing everything he wanted, but he did succeed, through the power of those who fell in behind him and his leadership in bringing about an unsatisfactory series of compromises. This is a bill not in keeping with present day conditions.

I say to the minister, if you had faced the issue courageously you would have commanded universal approval, even though there might have been some criticism. I say this to you that we, in Her Majesty's opposition, do not intend to play that game, the

game of pretence. We do not intend to bail out the government. We do not intend to be pawns to bring about unity in the Liberal party.

• (9:20 p.m.)

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, to begin with I think I should say that I am not particularly interested in the details of the real or imagined or reported split and division within the government and the Liberal party. I have never been interested in the squalid details of domestic quarrels. I am concerned with what the minister told us and even more concerned with what he has not told us tonight.

In fact, Mr. Chairman, we have had a remarkable exhibition today of two cabinet ministers both performing a sort of dance of the seven veils, and refusing to take the last veil off, out of modesty one presumes. Perhaps they realize that they were intellectually related under the seventh veil. At any rate, we are not told. One can be more kind and suggest that what we have seen has been a very skilful operation of the old pea and shell game. We are asked to guess what is under the shell, which pea is under it and which shell it is under. We cannot say, of course, because we are kept in the dark.

Frankly, Mr. Chairman, I have been very disappointed in the minister's presentation. I did not expect that I would altogether agree with him but I did hope that I was going to hear a reasoned case for the adoption of a certain policy, about which I might well have had some reservation. But we did not get that tonight. We had a number of rather discursive remarks suggesting certain things might be done, but nothing definitive and positive was told us.

The question of the 6 per cent interest rate is, of course, one which has engaged the public attention, and I am surprised that the Minister of Finance was not able to marshal respectable intellectual arguments in support of the rmoval of the 6 per cent limit and to present to this house a policy of substituting some other method of control of the banking system.

Instead of that he took refuge in extraordinarily vague statements. We were told that a ceiling will be retained—a ceiling. We are not told where it is, how high up it is, or what the ceiling is. There was mention of some approximation between the permitted interest rate and the average short-term yield on government bonds. But again, no definition and no suggestion as to who was going to impose the regulatory functions upon this particular issue.

While I have not been entirely persuaded that it is essential at this particular time to remove the 6 per cent ceiling on bank interest rates, I am quite aware, of course, of the arguments in favour of a greater degree of flexibility in interest rates by the chartered banks. But having said that, sir, I think we then have to face something else that the minister refuses to face.

In fact, his speech tonight was in main a complete denial of something that I thought he would have recognized, something which I am sure most people in Canada, and I would suggest almost the entire business community in Canada, are all too well aware of, namely that the banking system of Canada is a monopoly. It is sheer nonsense and poppycock to talk of competition in our banking system. It is a monopoly, and I am not at all sure that it is not a good thing that it is a monopoly. It is a monopoly that has been given a privileged position in our society and our economy, to the degree that no bank in Canada can possibly fail, because no government can allow any bank to fail.

Twelve years ago, at the last revision of the Bank Act, I asked the then Governor of the Bank of Canada whether, in his opinion, it was possible at that time for a bank in Canada to fail. Mr. Towers, who was the Governor at the time, with commendable banker's caution, said well, he did not want to give a categorical statement that it was impossible for a bank to fail in Canada, but he would say that it was extremely unlikely and could only take place in conditions of virtual economic collapse.

So I think we have to face this fact: We have a monopoly with ironclad guarantees of survival and protection from any disaster. Because this is the case, we then must have some method of controlling it. If the minister is not prepared to devise a more sophisticated method of controlling it than he has suggested tonight, then I would submit to you, sir, that the safety of the Canadian people impels us to insist on the maintenance of the present 6 per cent limit, clumsy, unselective and inadequate as it may be, as a means of controlling this monopoly which has a privileged position and which, in the final analysis, is and must be supported by the Canadian government and the Canadian taxpayer. As I say, I was surprised that the minister appeared to be unable to bring

forward a more sophisticated approach to this problem.

It would appear to me that having granted, as those who have studied the matter must grant, that there must be some greater flexibility in our banking system, we must then turn our attention to this problem of just how to exercise the controls that we must exercise on this monopoly. I suggest to you, Mr. Chairman, that the answer will have to be the institution of a regulatory body before which the banks will have to present a case for an increase in interest rates; that this regulatory body will have to have the power to control the whole range of interest rates to prevent the banking monopoly from demonstrating its monopolistic character in the most disastrous way by discriminating between various classifications of borrowers.

I cannot understand why the minister continues to talk nonsense, using such lovely phrases as "the fresh winds of competition blowing through our banking system". Is the minister going to blow those fresh winds himself? Is this the case of the wolf in the child's tale—that "he huffed and he puffed till he blew the house down"? I am afraid that the minister will huff and puff but will never succeed in blowing any fresh winds of competition into an industry which, by its very nature, is a monopoly.

The minister talks nonsense about how he will have the banks brought up for examination under the Combines Investigation Act. If the minister does not know that that is nonsense, then he has no business to be Minister of Finance. If he does know, then he has no business to have made this ridiculous suggestion to us.

What is he going to do in this regard? Is he boing to call the president of the Royal Bank of Canada and the president of the Bank of Nova Scotia into his office and say: "Look, boys, I have discovered that each of you has made loans at 6¼ per cent. Obviously this is a combine. You must have different interest rates, otherwise I will charge you under the Combines Investigation Act"? What utter nonsense. Why produce these ridiculous straw men, suggesting that you can do something with a monolithic—and it is—and monopolistic institution?

I am not holding back against the idea of the banking system in Canada being an integrated system, virtually a monopoly in the performance of its functions, because it must be stable. There must be some uniformity. To suggest that we are going to gain anything by pretending that we can bring the banks under the Combines Investigation Act is not worthy of the Minister of Finance of this country; it is sheer nonsense and an insult to our intelligence.

I would very much urge on the Minister of Finance, Mr. Chairman, that before he brings this bill before the house, or, having brought it before the house, before he appears before the committee on finance, trade and economic affairs in support of it, he seriously consider devising a much more sophisticated manner of ensuring flexibility in our major lending institutions and protection for the borrowers of money under the Canadian banking system. That this could be done I have not the slightest doubt. A regulatory body that could perform these functions could be easily devised, and it would not be without precedent in our history.

We have been faced with this sort of thing before, and on every occasion when we were faced with an industry that was in a monopolistic or semi-monopolistic situation, the operations of which were of great concern to the whole economy, we have established regulatory bodies. We have established such things as the Board of Transport Commissioners and the National Energy Board. These bodies were meant to deal with exactly the same powers and privileges that are enjoyed by the banking system, though not quite so wide; therefore there is even more necessity for such a provision under the Bank Act.

• (9:30 p.m.)

The minister also tells us that he is going to protect us from the evils of competition by making it illegal for the director of one bank to be the director of another bank, or to be the director of a near-bank. In July of 1971—and I do not know why July, 1971 should be the date chosen—banks can hold only 10 per cent of any other corporation's stock.

I wonder whether the Minister of Finance is so naïve as never to have heard of a breed of animals that used to be known in Great Britain as guinea pigs? They sit on the boards of directors of large corporations, not knowing anything about them. Very often they are impoverished nobility in need of extra income. They sit on boards representing certain interests in the operation of that corporation, and they of course give the whole thing an air of respectability. Their chief function is to sit there on behalf of interests that do not want to come into the open. Can you imagine for a moment that

you are going to be able to root out every guinea pig that takes a position on a board of directors in defiance of this ruling by the Minister of Finance? If certain interests want those guinea pigs on boards, they will have them.

The minister tells us that he thinks more banks will permit more competition. I suppose "permit" is the right word. He did not tell us why he thought that more banks would ensure more competition, because I suppose he felt that was too much even for the House of Commons to swallow. We are all aware of what has happened to the banking system in Canada, and it is very difficult to persuade us that by establishing a number of banks you thereby establish competition. You may be able to develop a more effective system, providing a wider range of services, but as to competition, no; there can be and will be no competition. When the minister continually insists that it is going to be possible to permit competition, I think he is insulting our intelligence. Instead of doing that, instead of wasting his time, he should have been devoting his intellect to really dealing with the problems of banks in the modern world. If he is not prepared to do that, I want to say this, that we must retain the 6 per cent clumsy club of control that we now have over the banks.

If he does not provide a workable, sophisticated method of control, and one that does not give relief to the banks in order that they make more money, it will not be only the opposition in this chamber that he will have at his throat, it will be the people who write letters to me and, I imagine, to all members of this house on this question of the removal of the 6 per cent. The people writing will be business people and individuals viewing with great alarm and despair the thought that the banks are going to be set free to take an even greater tribute from our economy than they are taking at the present time.

Indeed, there was one phrase the minister used that rather disturbed me. I shall have to see *Hansard* tomorrow to find out exactly the text, but the minister spoke about carrying out his plans without changing the scope of the Bank Act.

The Porter Commission—and I have been waiting for an opportunity to say this for some time—made a very unsatisfactory report. It was one of the most poorly compiled technical reports I have ever seen. It was a mess. It left a great many loose threads dangling in the air. But it said that the near-banks should be brought under the Bank Act. It did not say how that was to be done. It made one suggestion: that there should be a definition of banking that would bring the near-banks under the Bank Act. I think that might be possible. However, I should first want to refer to a constitutional lawyer to find out whether we can remove from provincial control an operation that is licensed by the provincial government, merely by defining that operation in this parliament. I do not know whether it is possible. Certainly, you will not be able to bring these concerns under banking legislation, in order to control them, until something like that is done.

I think we must be careful not to take any action that will encourage the growth of these so-called near-banks in our banking functions. Despite all the faults of our banks, despite their greed, if you like, and their ruthlessness, the minister is quite right; the banks and banking system of Canada are extremely efficient, and we should not encourage less efficient institutions to carry on functions that should be carried on by the chartered banks of Canada. Unless we are prepared to bring the near-banks under control, I do not know how we shall prevent their unrestricted operation. Apparently they will be enticed to come under federal control to some extent by the offer of taking part in the insured deposit system, which is to be carried out by a crown corporation, about which we heard very little.

I feel, Mr. Chairman, that as the minister has seen fit to withhold his confidence from us, not telling us anything about what this legislation is going to be, but merely offering disturbing hints in much the same way as the Minister of National Health and Welfare did this afternoon, and because it is extremely important for members of this house to discuss the possible consequences of the legislation that is still locked in the minister's mind that we have been abused. I think it was an abuse of the rights of members of this house for a minister of the crown to come before us with a resolution leading to a most important piece of legislation—one of the most important that will come before us for many years to come—and to take the position that he has the right to wrap the whole thing in mystery until tomorrow morning. We shall come across this bill in our mail boxes—

An hon. Member: Not tomorrow.

Mr. Cameron (Nanaimo-Cowichan-The Islands): We probably will not get it tomorrow morning, but we shall eventually get it.

We are asked to buy a pig in a poke. We are asked to agree to this resolution being passed, when the minister will not treat us with proper decency and respect, and when he will not tell us what to expect in the bill.

An hon. Member: It is a hoax in a poke.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, it is suggested that it is a hoax in a poke. I do not know whether it is a hoax. It may be that the minister has a very good plan. But why did he not tell us? Why did he not say what he proposed to do? Why did he not tell us, if he is going to maintain a ceiling, what that ceiling is going to be and how it will be determined? Where does that ceiling apply, and is there going to be the same ceiling for each type of borrower, or will there be graduated ceilings? He does not tell us these things at all.

I think it is sad that apparently no one in the Liberal caucus or the Liberal cabinet had sufficient knowledge or sufficient intelligence to overcome what my right hon. friend the Leader of the Opposition has described tonight as the shattering divisions within the party and within the cabinet, as they should have been overcome. The minister should have adopted a more intelligent and a more sophisticated approach, and one which would have presented to his colleagues a means of procedure which would have appealed to the economists of this country as a sensible procedure, and while which would not on the one hand have fallen into the error of assuming that by removing the 6 per cent limit we are saving the people of Canada from some frightful disaster or on the other hand, suggested that in order to bring more flexibility into the banking system we must let the banks run loose, at their own discretion.

A case could have been made for a logical and intelligent revision of the existing structure of the banking system that would have appealed to all intelligent members of the Liberal caucus. I say sincerely, and this is the sad part of it, that the majority of the Liberal caucus members are intelligent. I think it is a disgrace that they have not been given by the Minister of Finance the opportunity to endorse a rational, sophisticated plan for the banking system of Canada in the future.

The right hon. Leader of the Opposition mentioned toward the end of his speech a matter which I think deserves a word or two. He asked, what is to be the fate of the Mercantile Bank of Canada. As you may recall, sir, I asked the minister a question about this some weeks ago. There have been stories in the papers that the minister had yielded to pressures and had changed the policy that was introduced by his predecessor with regard to containing the expansion of this bank, which is now owned by the First National City Bank of New York.

• (9:40 p.m.)

At that time the minister was indignant that I should even suggest he would yield to pressure, so one presumes he intends to retain the rights of control defended by his predecessor. I put it to hon. members that here is another place where the Minister of Finance might have taken a more courageous and intelligent stand. It is perfectly obvious that no matter what we do about the Mercantile Bank of Canada, so long as it remains in the hands of its present owners it will be a burr under the saddle of this government. I would suggest to the minister that he should consider killing two birds with one stone—removing this source of future trouble for himself, because it is obviously going to be troublesome; they will be up here bugging him every week—by taking this bank under public ownership as a means of ensuring that it will remain under Canadian ownership and, second, as a yardstick by which to measure the operations of other sections of the banking community and, in the third place, as a means of establishing some proper scale of behaviour and discovering something which may not be known even to the minister—the real, inner workings of the banking system of Canada.

In making this suggestion I do not pretend to be doing anything very revolutionary, because two of our sister countries in the Commonwealth, Australia and New Zealand, have for many years—

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Some hon. Members: Carry on.

The Deputy Chairman: I regret but there is not unanimous consent for the hon. member to continue his speech.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Who said no?

Mr. Ricard: You have just said it.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Oh, yes; we have said it now. I should like to know. I don't think anybody did.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I should have liked the previous speaker to be allowed to complete his remarks, because they were very interesting. But since a single dissenting voice is enough to prevent someone from speaking, it seems that such a voice was heard this evening to prevent him from completing his remarks.

I cannot allow this resolution to be passed without saying a few words on behalf of the Ralliement Créditiste, even though this resolution took us somewhat by surprise, this evening. Frankly, we were expecting that the bill regarding the Canada Assistance Plan could finally be passed this evening, but since the minister has decided otherwise and the house had to revert to the resolution concerning the Bank Act revision, I had to let go our expert on banking, because he had to attend a public lecture tonight. That is why we have been somewhat off our guard.

Mr. Chairman, the resolution under consideration, which is not very lengthy, reads as follows:

> That it is expedient to introduce a measure to provide for the decennial revision of the Quebec Savings Banks Act and the extension of the powers of the existing savings banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the Act.

As you can see, Mr. Chairman, the resolution is quite limited and, above all, it is being introduced very late. We are wondering why the government, after 110 days of session, introduces the most important piece of legislation of the session at this time.

It is introduced just before the end of the session. That is the most surprising thing. During the first 50 days of the session, bickering went on about everything and anything, discussions on all kinds of nonsense such as the Spencer affair and the Munsinger affair. Important questions were completely overlooked. Tonight, one of the last nights of the session, the resolution is brought in. I say, Mr. Chairman, that this government is operating contrary to all good sense. I am asking that the government program be prepared so that the main legislation is brought down at the beginning of a session, so that we may consider it for as long as necessary. I have the impression that the measure or the ensuing bill will be sent to the appropriate committee and may be considered during recess. That is why, Mr. Chairman, I was saying at the outset of my remarks that this resolution comes too late to be seriously considered. It should not be forgotten that this Bank Act is important.

It is not the first time it is brought before us. The first time, an extension was granted; the second time, a so-called amendment was introduced bringing down the reserves to 7 per cent. Now, as far as I can make out from the parables of the minister—tonight, he spoke in parables more than in anything else —it seemed to me that he was again trying to reduce the bank reserves. Before the last reduction, with $8 deposit in the Bank of Canada, banks could lend $100. Now with $7 deposit, they may lend $100. Possibly, under this bill, it will be enough to have $6 deposited in the Bank of Canada to lend $100. And if the interest is increased to 7 per cent, that will be quite an interest for an investment of $6 or $7.

There is some worry over the banks, Mr. Chairman, I have never been worried over banks. Let me have the powers the banks have and I shall be making money. I will not go bankrupt.

In his statement, the minister told us that the purpose of the bill was primarily to promote competition. To my mind, that is the main purpose of the bill: Competition between banks. When I consider the greatest monopoly in Canada which is that of the banks, I wonder where the competition can be? Whether the interest ceiling is set at 6 per cent, or at 6½ per cent or at 6¾ per cent, you can be sure—the decision is made in advance—that if one bank lends at 6 per cent, all the banks will be lending at 6 per cent. How can you expect them to compete?

• (9:50 p.m.)

Let us suppose, for instance, in the commercial field, that 100 or 150 stores constitute an absolute monopoly, such as the banks, and they determine that the price of a pair of shoes shall be $7 and that no store shall have the right to sell them neither for less nor for more. Do you believe there would be competition between those stores? No, Mr. Chairman, no competition would be possible. It would be an absolute monopoly and competition is not a feature of monopolies.

I would have thought that the minister would have wanted to talk about competition from the service standpoint—which would have made some kind of sense—and that each bank would have sought to give the

best service. But, a little further on, the minister stated that it is not this kind of competition at all. Well, then, I was astounded, because it would have been possible to establish some kind of competition between the nine or 10 chartered banks. But we know that it is a monopoly.

If these banks had been able to compete with regard to service and ways of serving the customer, that would have been something. But the minister warns us beforehand that it is not a question of competition with regard to service.

I would ask the minister to tell us where this competition is? I see none at all. He always speaks in veiled terms. They play on words. They are going to do something, but they do nothing. The ceiling rate will not increase immediately; but, eventually, banks will be allowed to exceed the 6 per cent ceiling.

Well, Mr. Minister, I will tell you—and I may surprise you—that the banks have forestalled you. They have exceeded the 6 per cent ceiling. In fact, banks today do not lend at 6 per cent, but at 7, 7½, 8, 8½ and even 9 per cent. I have been doing business with banks for 30 years and I know their rates. Now, I assure you that banks do not lend at 6 per cent. That is why I say it is useless to raise the ceiling now, for they have exceeded the present one.

I would suggest to the minister that he should maintain the present ceiling and allow the banks to make loans in cases where some aid is indicated, instead of fiddling with that ceiling. For instance, if the government wishes to help borrowers, small merchants, consumers, small manufacturers, let the banks be allowed to charge a percentage for insurance or administration; this would in no way upset the ceiling, but if the banks rush blindly into loans to consumers, small manufacturers and small merchants, this will increase administrative costs.

Mr. Chairman, I believe it would be preferable if the government allowed some extension to the banks on their service and, above all, on their insurance. We know what the insurance rates are. For instance, if a bank makes a mortgage loan, it is entitled to keep some amount to guarantee the insurance premium on the mortgage. If the bank buys an insurance policy as a guarantee on another loan, this, I believe, will be to the advantage of the small borrower. Indeed, this will allow him to pay more than 6 per cent, but will prevent him from borrowing. In fact, this will prevent him from borrowing from the large companies; today, these companies offer money on loan at an interest rate of 10, 12, 15 and even 20 per cent. I believe the minister wants to protect the small buyer and enable him to finance his credit in advance, at reasonable rates of interest. Obviously, banks cannot finance small loans for the same rate as loans of $50,000, $60,000 or $100,000; we understand that very clearly.

Mr. Chairman, I should like to see a fixed ceiling of 6 per cent, but variations in rates for the auxiliary facilities. In that field variations should be allowed. It seems to me the banks could then set a reasonable rate of interest for credit in each field while making up their additional expenses. Let us get on with this bill to amend the Bank Act; we have been expecting this bill for a year now, and more particularly for the last six months.

At the present time, banks are at a standstill and restricted, and no longer promote trade expansion. I am a businessman myself, and for the past six months, we have been waiting for this famous legislation which has been slow in coming, being deferred from month to month. I therefore ask the minister to conduct special studies, since his purpose is to help small borrowers, private enterprise and to make mortgage loans easier. I am not against mortgage loans being granted by banks, because I am sure that, in such a case, the borrower will save from 4 to 5 per cent in interest.

Mr. Chairman, may I call it ten o'clock?

• (10:00 p.m.)

[*English*]

The Chairman: Order, please. It being ten o'clock shall I rise, report progress and request leave to sit again later this day or at the next sitting of the house, as the case may be?

Some hon. Members: Carry on.

Mr. Hellyer: Mr. Chairman, I heard several members suggest that we carry on. If it is the wish of the committee that we carry on that will be agreeable.

Mr. Starr: Mr. Chairman, I think the comment was made for the purpose of allowing the hon. member who was speaking to use the full 20 minutes allotted to him.

Mr. Hellyer: We are agreeable to that suggestion.

Mr. Knowles: If that is all that is being asked we are agreeable, but perhaps in fairness we should also allow the hon. member for Medicine Hat to make his speech and then call it a day.

Mr. Hellyer: Agreed.

The Chairman: Is that agreeable?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Chairman. I am nearly through. I also noticed that in his statement the minister warned us that in the future, in the studies made concerning banking reforms, provincial governments and companies will be able to acquire bank shares subject to a 10 per cent limit, but unfortunately, he added: not voting shares.

Mr. Chairman, I think this will be a matter of discussion during consideration of this bill and we intend to put our opinions forward in that connection. As we will base ourselves on the Royal Commission on Banking during these discussions on banking reform, I hope the minister will allow for once the Bank of Canada to take its true place in our financing system.

The analysis of our financial system has shown that the Bank of Canada plays second fiddle; I therefore submit that, during the future studies, the Bank of Canada recapture its natural part, the leading outstanding part it should play in our financial system, in short that it be called upon to finance all public sectors, in order to leave to chartered banks the financing of private sectors.

Thus we will no longer see chartered banks lack credit every season. When everyone is in his place and does his part, we will say that the Bank of Canada is the national bank; it must finance national affairs, national departments and not look after private affairs. I believe, Mr. Chairman, that as soon as we begin to study this bill, we will be able to shed some more light on the banking system, so as to inform everyone.

[*English*]

Mr. Olson: Mr. Chairman, first of all I should like to thank the members of the committee for their indulgence in sitting past our regular adjournment hour so that I could make a few comments respecting the statement made by the Minister of Finance when he introduced this resolution. I would say at the outset that while we can agree with many of the objectives stated by the Minister of Finance when he introduced the resolution, it seems to me that there is not very much in the remarks he made that would appear to give effect to those objectives.

For example, the minister talks about this new Bank Act being a blueprint for competition. From the information that we have thus far respecting the amendments which will be in the new Bank Act when we receive it after first reading, there does not appear to me to be very much that will assure any greater competition in the field of banking, particularly in so far as the chartered banks of Canada are concerned.

I want to state very briefly that we certainly hope that the changes that will be in the bill when we see it are not changes or amendments or compromises, or whatever you wish to call them, that have come about because of divisions within the Liberal party. The amendments to the Bank Act are so important that this should not be a matter of compromise between any ministers of the crown in trying to bring in changes that are of benefit to Canada and Canadians generally.

I want also to say that I hope there is no substantive foundation to the press report that the right hon. Leader of the Opposition read from the Toronto *Star*, to the effect that these compromises came about as a result of sharp divisions of opinion between the Minister of Finance and the minister of manpower, because I believe that the old age pension, the Old Age Security Act and even the Canada Assistance Plan are far too important to have amendments based on some compromise that can be reached respecting the Bank Act.

We in this party agree that there ought to be more competition in the banking field. There is no question about that. But it seems to me we have not as yet heard from the Minister of Finance how he intends to achieve this end. Yet there has certainly been plenty of time because, for example, there were the 10 years that expired in 1964 when the Bank Act should have been revised. In addition to that, the Minister of Finance and his colleagues have had the benefit of not only the Royal Commission on Banking and Finance, that took some 30 months looking into this matter, but they also have the reports of two years from the Economic Council of Canada in which comments were made about banks and banking in this country. In addition, we are now two years overdue in coming to grips with the changes that

are needed in the Bank Act. Therefore I do not think the minister can plead that he has not had sufficient time to come forth with the kind of amendments that will make the banks and banking in Canada more effective and in keeping with modern requirements.

I was interested in the minister's comment that all financial institutions will be brought under the umbrella of the Bank Act and that to achieve this end he has issued an invitation to the provincial governments to come to a federal-provincial conference, in an attempt to work out some kind of agreement and arrangements as to how this will be done.

• (10:10 p.m.)

I agree with the hon. member for Nanaimo-Cowichan-The Islands when he suggested there might be some constitutional conflict in simply naming these other types of institutions that are close to banks, and thereby in fact requiring them to comply with the federal legislation. I am convinced that to bring a provincially organized institution within the terms of the federal act will be far more complex than that. However, Mr. Chairman, I suppose we will hear something more about this. I hope the Minister of Finance is prepared to tell this house what he intends to ask the provincial ministers of finance to do to bring these other institutions in line with a uniform banking policy.

The minister has also spoken about a crown corporation which would in fact provide insurance covering deposits, not only in banks but in some of these near banks. He suggested it would encourage people to place deposits in the banks. This may be true for some of the so-called near-banks, but all it will do with regard to chartered banks that are concerned will be to increase the cost of depositing.

I am therefore not impressed with the suggestion that the existing chartered banks in particular should require any kind of insurance for depositors. What is more, Mr. Chairman, I do not believe there is any satisfactory argument for insurance coverage of deposits even in the new banks which may be formed in the immediate future because, as the hon. member for Nanaimo-Cowichan-The Islands suggested, when banks in this country receive a federal charter they are required to put forth such a substantial foundation that if they are to operate within the ambit of the existing Bank Act there is small likelihood of any insurance being required for those deposits. The only time it would be necessary would be in case of a complete economic collapse of this country, and we certainly hope that this will never come to pass.

We also agree that chartered banks should be allowed a wider scope in the loans that they can make, such as mortgage loans and others. We were somewhat disappointed that the minister did not spell out some new conditions in this Bank Act which will legalize what we have considered to be a breach of the Bank Act in the statutory 6 per cent limit which has been set up to this time. I am speaking of small personal loans in particular. I am convinced it costs more to service this kind of loan and I am therefore prepared to consider, and perhaps to approve, some amendments to the Bank Act which would allow the banks to charge a slightly higher fee for such loans. I believe that some of those details should be spelled out in the act because at the present time the provisions of the act are being violated by the charging of a higher effective rate than that allowed by the statutory limit, and other ways, such as the date of discount and the date of repayment, and other similar practices. I do not believe that this is the proper way of increasing the limit even for those loans which in fact carry a higher service cost. I hope therefore that in the course of our debate on this bill we will evolve a provision spelling out these new conditions.

I agree, Mr. Chairman, that the banks should be allowed to raise funds in some way other than by deposits. As the minister suggested, they should be allowed to issue debentures. This is in keeping with the practices of some of the near-banks and I find it to be satisfactory. However, in so far as these small loans are concerned, I am not prepared to agree that the great growth of the near-banks and other public financial institutions has been wholly due to the legislation, even as it is contained in the present Bank Act.

I believe that several years ago the chartered banks of this country failed to provide the kind of service that Canadians needed and wanted. Therefore, almost as a result of the default of the banks, these other types of institution have flourished in the personal loan field and small business loans. I think that perhaps in the last two or three years, or even a little longer than that, the banks finally woke up and realized there was a large, new market that they had missed which resulted in the growth of these other financial institutions. I believe we need to

recognize that the banks failed to provide the service that was desired.

The minister suggested that in so far as the statutory limit is concerned, it could not be changed suddenly. He did not say very much else about it except there would be some interim arrangement pending the complete release of the statutory limit. This interim arrangement will be tied to the effective rate on short term government bonds and will be set at some undisclosed percentage above that rate. I feel the minister should have and could have given this information to the house, because if you look over all the changes that have been suggested, this is the most important one with which he dealt. Surely the house ought to have heard what kind of formula is suggested, or at least what the percentage of spread was going to be over this so-called effective interest rate.

There are many other things that we want to discuss, such as this requirement concerning directorship and the percentage of stock that any individual may hold. However, there will be plenty of time to do that on second reading of the bill. I want to say again that while the minister calls this a blueprint for competition and he talks about the fresh winds of competition that will permeate the banking system, there is very little in what the minister said that will give effect to this statement. He did not say whether or not the prohibition against agreements so far as interest charges by the banks are concerned was going to be enforced by the Combines Investigation Act, or under some similar arrangement. If the minister means what he says, and he is going to give effect to it, then we will have to have some additional laws with some teeth in them. Otherwise, his suggestion that there will be competition between chartered banks is, in my opinion, simply so many words.

There has been no effective competition in the banking industry in the immediate past. There may have been a measure of competition between the managers of local branches, but so far as conditions generally are concerned, there has been no competition in the banking system. We do not see anything in the minister's statement that would indicate conditions are going to be any better. We would be interested in knowing, as quickly as possible, under what conditions the minister is going to release the statutory limit on interest altogether. He said this could not be done now because of current conditions in the financial market. We would like to know when we can expect this information to be released. I hope the minister will come back to parliament for additional amendments before it is, in fact, released.

[Mr. Olson.]

• (10:20 p.m.)

I will not keep the committee longer because, as I said, I appreciate the indulgence shown me in permitting me to go beyond the regular adjournment hour. As I said when I began my remarks, we agree with many of the objectives of the minister, particularly the state objective that there needs to be more competition in the banking field. But up until now the explanation given by the Minister of Finance has failed to spell out how that competition is to be made effective.

The Deputy Chairman: Shall the resolution carry?

Mr. Churchill: Ten o'clock.

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

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Hellyer: Mr. Speaker, before the questions commence I might give the order of business for tomorrow, which is, first, the continuation of the banking resolution, then the resolution on the Quebec Savings Banks Act, then the Canada Assistance Plan, and then any other business on the order paper.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATURAL GAS—U.S. HEARING ON TRANSMISSION BETWEEN CANADIAN POINTS

Mr. R. K. Andras (Port Arthur): Mr. Speaker, some ten years ago a proposal to build a natural gas pipe line from western to eastern Canada was the subject of considerable bitter debate in this house with far-reaching consequences. Nevertheless, the pipe line was approved and its subsequent operation has been a great success, so much so that just eight years later the capacity of the original line requires immediate expansion.

During the debate over this matter in 1956 *Hansard* indicates accord on one major related point, and that is the routing of the pipe line. Speaker after speaker from different parties stated his conviction that this should be all-Canadian. As a result, the line was built from Alberta through Saskatchewan, Manitoba, northern Ontario and thence to Toronto. It is claimed that the highest cost portion of that route was in northern Ontario, and this was known to be likely before construction began. But the decision of that day was to bear this additional capital cost, so as to keep this vital energy resource on Canadian soil and under Canadian control. And, Mr. Speaker, I say that this was a wise choice.

This year we face a similar decision. Trans-Canada Pipe Lines has applied for approval to build a second line, this time through the northern states. From the exit at Emerson, Manitoba, to the re-entrance at Sarnia, this facility would be on United States soil, subject forever to the control of the United States. Today it appears possible that all the sound arguments presented for an all-Canadian route may be in danger of being forgotten.

The public hearings before the National Energy Board of Trans-Canada's application were completed in March. We do not yet know what the decision might be, and quite properly the members of the National Energy Board will not indicate their reaction until their ruling is announced. I have confidence in the vast knowledge often displayed by the chairman and members of that board, but I rise tonight to bring this matter to the attention of the final Canadian authority, parliament itself, because I feel that it is a much too important decision to be made without discussion in this house. We are facing a major choice of principle in dealing with this application to place forever on foreign soil and under foreign control a major Canadian resource asset.

We are asked to accept this proposal, when there is an acceptable alternative course open to us which would retain this program as an all Canadian facility. Such an alternative does exist in looping and adapting the existing northern Ontario pipe line to provide the necessary increase in capacity. As a northwestern Ontario member I have a parochial viewpoint of course. We are conscious of the economic impact in our area of the capital expenditure of some $240 million to $260 million in northern Ontario if the existing line is looped.

Already our industries are using more than twice as much gas as was originally estimated. Several industries and communities in northwestern Ontario are not yet serviced by natural gas. A number are not assured of an adequate supply from the present line for immediate needs, let alone future expansions and new industrial growth.

So I will not deny a local bias. But I am also vitally concerned about the danger to the national interest, if the U.S. location is approved.

Beyond identifiable and concrete economic factors identified in light of present laws and attitudes of the United States, we feel concern about future change in those attitudes and regulations. Such changes might be difficult to foresee now, but in any number of ways, and at any time, they could present a threat to the transmission system and the Canadian public interest—if the line is built in the United States. The Canadian route would eliminate that worry and danger, which must be considered as an intangible but significant factor.

When I appeared before the National Energy Board in March I supported the intervention of the Fort William/Port Arthur and District Council to the Trans-Canada application. Among other comments, I specifically requested that, before a decision is rendered, there be made, published and publicly discussed, an independent cost analysis and comparison of the total economic effect of both routes. No reply or indication of reaction to my request has been given by the board. This, partly, gives rise to my concern and to my action in bringing this before parliament tonight.

We are told by Trans-Canada that the difference in capital cost between looping the existing northern Ontario system and building a new line through the United States could amount to over $30 million in favour of the United States route. Even if this were so, we say there is great wisdom in keeping this all Canadian for the reasons I have already outlined.

In addition I should like to draw attention to these other disadvantages of the United States route: First, the amount of United States dollars that are going to have to be invested initially by Trans-Canada; second, the continuing drain of United States dollars required to be paid by Trans-Canada to Great Lakes Transmission, Trans-Canada's United States partner, which would own the United States pipe line in question. So, for

these and many more reasons, we should not depart from the principle established ten years ago. But, in final argument, I want to introduce an important new fact that to the best of my knowledge was not presented during the National Energy Board hearings. Throughout Trans-Canada has claimed that by taking the United States route as opposed to the looping of the northern system, natural gas would be delivered at a lower price to the consumer in eastern Canada.

Today, I am in possession of a brief that purports to refute that claim. This was prepared by the Panhandle Eastern Pipe Line Company of New York and the Trunkline Gas Company of Houston, Texas—both United States corporations. It was tabled with the Federal Power Commission, in opposition to Trans Canada's application to that United States regulatory body, and is a matter of record there.

It was developed by experienced specialists in the field of pipe line engineering and cost accounting, using the detailed engineering and cost data supplied by Trans-Canada to the National Energy Board. Because it obtained that information from presentations to the Energy Board in March—

The Acting Speaker (Mr. Rinfret): Order, please. I must advise the hon. member that the time allotted for his speech has expired.

Mr. Jack Davis (Parliamentary Secretary to Minister of Mines and Technical Surveys): Mr. Speaker, all other things being equal, I am sure that all members of this house and most Canadians would prefer an all-Canadian route for a natural gas pipe line bringing gas from western Canada to central Canada. I say, all things being equal, that is so. One of the fundamental considerations would, of course, be that the route followed would deliver gas at the lowest possible price. It is conceivable that an all-Canadian route would do this. However, there have been submissions to the contrary.

• (10:30 p.m.)

The National Energy Board was set up in the late fifties to assess these projects in the Canadian interest and to take into account various technical aspects of the submissions made by the pipe line companies, by the producers and by the consuming utilities, most of them, in this case, being in eastern Canada. Trans-Canada has applied for permission to run, not north of the lakes but via an international route. The hon. member for Port Arthur (Mr. Andras) has said new evidence has recently been made available in the case of an application by Trans-Canada now before the United States power commission. This takes the form of a submission to the effect that Trans-Canada's costs, were it to follow an all-Canadian route, would be lower than Trans-Canada has contended they would be.

[Mr. Andras.]

The National Energy Board is fully staffed with accountants and other experts. It makes continuing studies of the costs of all Canadians as well as international routes. I am confident that the information tabled by the Panhandle Pipe Line Company is available to the National Energy Board and that the board is able to take critical note of that statement.

The National Energy Board will make a recommendation to the governor in council who can, of course, take into account any other information or policy consideration it deems fit. Normally, the governor in council will accept the recommendation of the National Energy Board. But I wish to assure the hon. member for Port Arthur that not only is the energy board capable of doing a first class job in this connection, but that the government itself will take a hard look at the recommendation of the National Energy Board with a view to protecting interests in northern Ontario and elsewhere which require natural gas in large quantities at the lowest possible price.

RESEARCH—SUGGESTED ESTABLISHMENT OF SPECIAL COMMITTEE ON SPACE RESEARCH

Mr. David MacDonald (Prince): I should like to direct the attention of the house to the substance of a question I raised on July 4 as will be found reported at page 7,128 of *Hansard* with reference to a policy on space research for this country and the present position of space research.

I suppose each generation has before it a special challenge which stands out from the others as being of special importance, possibly as expressing the spirit of the age itself. When we think of the 'sixties our attention will undoubtedly be turned to the whole question of space. Outer space is the frontier of this half of the twentieth century. Many of us have spent hours viewing with fascination some of the great adventures which have taken place in space brought to us by means of television. Unfortunately, even though Canada has in the past few years begun to work in the area of space research, public

opinion generally has been uninformed and it has certainly not been clear to myself, and, perhaps to other hon. members, that we have had a clearly defined policy in this regard.

Perhaps our policy can best be described as reflecting the attitude: Ignore it, and perhaps it will go away. Unfortunately, our space program, if it can be called that in terms of being in harmony with interests of the Canadian people, does not possess the spirit, the purpose, the direction or the policy we might like to see. Space research has been divided among many departments and organizations. The National Research Council and the Defence Research Board are two groups which have taken some part in it. There have been a number of university projects, the high altitude research project at McGill among them. We even find in a place like Churchill a space research project which is Canadian. At least, Canada pays the bill, though the people employed are for the most part Americans.

Frankly I am at a loss to know—after all we have not been in the space business very long—why we have not had more parliamentary interest and a definite outline of our policy with regard to space research. More recently we have instituted a Science Council; but space research is more than science. It involves communications, transportation, defence, and ramifications involving industry. It even has a cultural effect. This is such a large and important question not only to the world at large but even to this country that we must not wait too long before we institute a parliamentary committee to examine this in detail. We are losing many well-trained people. I am told that only one person in ten who applies to work in space research in this country finds employment. We need to encourage our scientists; we need to develop a thorough-going policy in space research. In the United States for some time now there has been a full fledged congressional committee devoted primarily to space research. In the United Kingdom they had a minister who was responsible for this same area of space research.

I think it is time to see what is going on, and not just at the level of the civil service. I know we have in the civil service a number of people who are very competent in this field. I think it is time the representatives of the people had an opportunity to sit down and ask what are the facts, what are the capabilities of our country in the field of space research, and what are the kind of things we might be doing. We might complement the facilities developed in the United States. Money is not the main obstacle in terms of space research. It is ideas, far-sighted and well designed policy. I would hope the government would see it in their power when we come back after the recess this fall, if there is going to be a recess, to have appointed immediately a special parliamentary committee which will do more than examine the many possibilities which are before us.

Let me quote in conclusion three or four suggestions made by an outspoken man, a space engineer, Dr. Gerald V. Bull:

> An arctic radio television satellite system that would provide reliable reception in the far north.

How important this would be in respect of northern communications.

> A navigation satellite that could determine precisely the geography and mineralogy of the country.

That would be quite an improvement. There are a number of other suggestions all of which could be within the competence and financial resources of this country. I am most anxious to hear the views of the Minister of Industry (Mr. Drury) in this regard because I feel we can look forward to great and enlightened things from him. I would hope that we can begin to look for an exciting and important policy in space research for this country.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I commend the hon. member for his interest in and enthusiasm for space research, which he has described as a new frontier. While there would be those who would argue that Canada still has frontiers of a terrestrial character, I do think there is effort to spare and that certainly the time has come for us to look beyond the terrestrial limits. There is no doubt that in North America, and this is going over into Canada, there is a great interest in space research.

The hon. member has suggested the formation of a parliamentary committee to seek the answers to a number of questions concerning what we are doing, what we can do, what possibilities are open to us and how we can fit in with the programs of other nations, and perhaps make use of our talents. I should like to say that in my view, before this kind of program can be effectively tackled by a parliamentary committee, it is necessary to assemble the facts and to get some valid scientific views, particularly on future possibilities.

• (10:40 p.m.)

To this end the science secretariat of the Privy Council office early this spring commissioned a full scale study and review of what is being done in respect of space research in Canada, not only by the various government departments but also by universities, and an assessment of future areas in which we might be more active than we have been in the past. There is no question but that space research is a costly operation. With the limited resources of a country such as Canada we cannot attempt a complete space program on our own. We must do it in co-operation with others, and in those specialized fields to which our particular talents lend themselves.

It is my hope that this study will be presented to the Science Council not later than December of this year. When we are in the position to get the views of the Science Council, whose object the house will recall is precisely to lay out general guide lines for scientific research activities for the whole of Canada in the future, and when we have had the benefit of a review and an assessment exposed to the Science Council, I think it would be extremely useful for a parliamentary committee to look at the situation and give the necessary enthusiasm and impetus to this whole field.

Motion agreed to and the house adjourned at 10.45 p.m.

HOUSE OF COMMONS

Wednesday, July 6, 1966

The house met at 2.30 p.m.

CRIMINAL CODE

REQUIREMENT THAT INJURIES TO CHILDREN BE REPORTED

Mr. Jack A. Irvine (London) moved for leave to introduce Bill No. C-219, to amend the Criminal Code (maltreatment of a child).

Some hon. Members: Explain.

Mr. Irvine: Mr. Speaker, the purpose of this bill is to call upon members of the medical profession to report to the attorneys general of their respective provinces within a week any bodily injuries to a child which may, in their opinion, have been caused by maltreatment. This move is prompted by the many cases which have been reported recently in newspapers. I believe this is a worthy amendment, and I do not believe any further dilation upon it at this time is necessary.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN PORT DEMURRAGE CHARGES

Question No. 1,199—**Mr. Gundlock:**

1. What is the time allowed in Canadian ports for ships waiting to load grain for export before demurrage is charged?

2. What is the amount of demurrage charged?

3. Who collects the demurrage?

4. What is the total amount paid in the last five years?

5. Who is charged demurrage and who pays the charge?

6. On the average how many bushels of grain can be loaded onto a boat in a day in each port?

7. On the average how many boats per day can be loaded in each port?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture and Finance as follows:

1 and 2. The time allowed in Canadian ports for ships waiting to load grain for export before demurrage is charged, and the rate of demurrage charged, is a matter of contract negotiation between the shipping company and the exporting company.

3. The shipping company receives the demurrage.

4. Information not available.

5. See 1, 2 and 3 above.

6. The volume of grain that can be loaded into an ocean going vessel in a normal working day, based on past maximum performance and favourable weather conditions, at the following ports, is: Maritime ports, 750,000 bushels; Baie Comeau, 600,000 bushels; Quebec, 500,000 bushels; Trois-Rivières, 400,000 bushels; Sorel, 600,000 bushels; Montreal, 1,800,000 bushels; Prescott, 400,000 bushels; Churchill, 500,000 bushels; Victoria, 100,000 bushels; New Westminster, 150,000 bushels; Vancouver, 1,500,000 bushels; Prince Rupert, 225,000 bushels.

7. The usual grain cargo requires more than one day to load. The number of ocean vessels that can be loading simultaneously, given favourable weather conditions, based on past maximum performance, is: Maritime ports, 7 vessels; Baie Comeau, 2 vessels; Quebec, 2 vessels; Trois-Rivières, 1 vessel; Sorel, 1 vessel; Montreal, 9 vessels; Prescott, 1 vessel; Churchill, 2 vessels; Victoria, 1 vessel; New Westminster, 1 vessel; Vancouver, 9 vessels; Prince Rupert, 1 vessel.

FINANCING OF HIGHWAY CONSTRUCTION, B.C.

Question No. 1,502—**Mr. Howard:**

Since January 1, 1960, has any person, government, or organization made any representations regarding the possibilities of financing the construction of Highway 16 in British Columbia (being in the area between Prince Rupert and Prince George) and the construction of a road between Prince George and Jasper, Alberta, and, if so, what is the name of each such person, government, or organization, and the date upon which each such representation was made?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Prime Minister's office is concerned. Yes, four representations have been received by the Prime Minister, recommending federal financial participation, from

the following organizations: British Columbia Chamber of Commerce, Vancouver on three occasions dated August 29, 1963, undated but received on August 17, 1964 and August 16, 1965; and Associated Chambers of Commerce of Central British Columbia, Kitimat, B.C., dated December 3, 1963.

In so far as the Department of Northern Affairs and National Resources is concerned:

Yes, the Greater Kamloops Chamber of Commerce on July 10, 1963, and the Jasper Park Chamber of Commerce on December 11, 1963.

In so far as the Department of Public Works is concerned:

Yes, the following letters were received: March 9, 1960, F. J. W. Fane, M.P., March 10, 1960, P. J. Lester, Mayor of Prince Rupert; January 4, 1962, Hon. P. A. Gaglardi, Minister of Highways for British Columbia; January 24, 1962, Hon. P. A. Gaglardi, Minister of Highways for British Columbia; March 23, 1962, Hon. P. A. Gaglardi, Minister of Highways for British Columbia; March 27, 1962, Greater Kamloops, Chamber of Commerce; November 8, 1962, District "B" Farmers' Institute, British Columbia; December 18, 1962, Northern Trans-Canada Route Association; October 24, 1963, District "B" Farmers' Institute, British Columbia; December 16, 1963, Hon. P. A. Gaglardi, Minister of Highways for British Columbia; December 2, 1964, District "B" Farmers' Institute, British Columbia; November 3, 1965, Prince Rupert, Chamber of Commerce.

TROIS-RIVIÈRES AIRPORT

Question No. 1,509—**Mr. Isabelle:**

1. What was the total amount spent for Trois-Rivières airport?

2. What was the amount spent for (a) the air terminal (b) the landing strip (c) the land and who was the former owner (d) the cost per acre and the extent or area of the acquired land (e) the evaluation of the land according to the municipality's records at the time of the acquisition?

3. How long is the landing strip?

4. How many of Air Canada's daily flights stop at Trois-Rivières, and (a) where do these flights come from (b) what is their destination?

5. How many commercial planes stop at Trois-Rivières every day and to what companies do they belong?

6. Can jets of the Boeing 707 or DC8 type land on the strip?

[Miss LaMarsh.]

7. What was the revenue of Trois-Rivières airport in 1963, 1964, 1965?

8. What were the operating costs in the same years?

9. By whom and for what reason was the airport built?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. $773,727.00.

2. (a) $25,940 by the Department of Transport. The terminal building was actually built and financed by the city. (b) $747,787. (c) The land was purchased by the city and sold to the federal crown for $1. (d) and (e) Information not available in the Department of Transport.

3. 6,000′ × 150′.

4. The management of Air Canada advises as follows: Air Canada has one eastbound, daily except Saturday and Sunday service (flight 450) operating from Ottawa to Montreal, Trois-Rivières and Quebec, and one westbound, daily except Saturday and Sunday service (flight 443) operating from Quebec to Trois-Rivières and Montreal.

5. This airport is operated by the municipality and not by the Department of Transport. This information should therefore be obtained from the municipality since it is not a matter of record with the department.

6. No.

7 and 8. See answer to part 5 above.

9. The Trois-Rivières airport was built by the Department of Transport in order to provide a suitable airport for Trois-Rivières and to permit Air Canada to serve this community with Viscount aircraft.

SUBSIDIES TO AIR CARRIERS

Question No. 1,534—**Mr. Forrestall:**

1. Does the federal government in any direct or indirect way subsidize any air carrier in Canada, other than Air Canada in (a) the domestic mainline service (b) the regional regular and non-scheduled service field?

2. If so, in what manner and to what extent?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Post Office and Transport as follows:

Insofar as the Post Office Department is concerned:

1. (a) Air Canada is the only carrier providing a complete domestic main line service on a transcontinental basis (b) Numerous regional air carriers convey mail on routes licensed by the Air Transport Board. In some

instances the licensed air carriers have a virtual monopoly in the region. The Post Office Department negotiates for the most realistic rates for mail conveyance. Generally these rates are related to the charges established by the carriers for other commodities and for passengers, but take into account the priority requirements of mail traffic. Under these circumstances, it is not possible to ascertain what might be interpreted as an indirect subsidy. The Post Office Department pays no direct subsidies.

2. Not applicable.

In so far as the Department of Transport is concerned:

1 and 2. The federal government has provided direct subsidies to air carriers on an interim basis on a few occasions. At present, the payment of a direct subsidy has been authorized for one carrier, TransAir. This subsidy has been authorized to reimburse TransAir for losses sustained in continuing to operate its class I scheduled service to points in the prairies, which it had applied to suspend from April 16, 1966. The subsidy will be provided on a temporary basis for such time as is required for the Air Transport Board to hold a public hearing and determine the future operation of these services.

* REGULATIONS RESPECTING COMMUNITY ANTENNA TELEVISION

Question No. 1,564—**Mr. Fairweather:**

1. Have any new or amended regulations, by or under the direction of the Department of Transport with respect to community antenna television, been prepared or are any being prepared?

2. If so, will the Department convene a meeting of interested organizations and holders of C.A.T. licences before any new regulations are put into effect?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the regulations made under the Radio Act are kept under constant review by the Department of Transport.

It is not administratively feasible to arrange formal meetings with all interested organizations and all licence holders every time an amendment in regulations is contemplated, but it is the practice of the government to consult regarding major policy development and representations have been received on several occasions from the Community Antenna Television Association of Canada, and any further such representations will be welcomed and given full consideration.

Questions

WILLIAM NEVILLE

Question No. 1,579—**Mr. Ormiston:**

1. Is Mr. William Neville at present filling a position in the government of Canada and, if so, what position?

2. Was his appointment made by order in council and, if so, what was the date of the order?

3. What is his present salary?

4. What was the nature of the four previous positions he held outside of the federal government prior to his present position?

5. What specific training or experience has Mr. Neville had as a writer, producer, director, story editor, or researcher or interviewer since 1953?

6. What undergraduate and graduate university degrees does Mr. Neville hold?

7. What oaths of office or of service has Mr. Neville been sworn to, if any, and upon what dates were the declarations taken?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes. Executive assistant to the Secretary of State.

2. No. The appointment was made under the provisions of section 71(1) of the Civil Service Act.

3. $15,000.

4. February, 1965 to September, 1965: staff writer, Canadian Press; February, 1964 to February, 1965: Canadian news manager, United Press International; June 1962 to February 1964: Ottawa bureau manager, United Press International; June 1957 to June 1962: parliamentary reporter, United Press International.

5. All 4 positions mentioned in part 4 involved continuous work as a writer, producer, editor, researcher and interviewer, of parliamentary and other national news.

6. Bachelor of Journalism 1957, Carleton University.

7. Declaration under the Official Secrets Act, September 20, 1965.

EXPENDITURES ON PRIME MINISTER'S RESIDENCES

Question No. 1,612—**Mr. Skoreyko:**

What was the total expenditure in each year since the first of January 1960 to date for (a) materials and fixtures (b) repairs and alterations (c) labour (d) furniture (e) bathroom fixtures and other equipment at the official residence of the Prime Minister at 24 Sussex Drive, and at the country residence of the Prime Minister at Harrington Lake?

Hon. G. J. McIlraith (Minister of Public Works): 24 Sussex Drive

	Questions (a)	(b)	(c)	(d)	(e)
1960-61	$1,430.00	$ 5,343.10	$ 2,066.40	$ 833.39	$ 619,60
1961-62	609.00	4,660.00	2,165.60	252.26	1,532.00
1962-63	398.00	1,857.67	1,786.40	—	1,935.00
1963-64	318.00	9,268.76	2,129.54	3,578.80	558.00
1964-65	282.00	5,899.62	3,543.62	692.90	2,481.00
1965-66	585.00	4,945.00	3,550.00	—	—
TOTALS	3,622.00	31,974.15	15,241.56	5,357.35	7,125.60
Harrington Lake					
1960-61	—	519.00	—	—	—
1961-62	27.00	828.65	—	—	—
1962-63	—	326.25	—	—	—
1963-64	—	9,747.46	55.00	8.00	—
1964-65	—	4,176.45	—	—	337.40
1965-66	1,312.00	8,893.69	36.00	—	2,299.76
TOTALS	1,339.00	24,491.50	91.00	8.00	2,637.16

NATO—MILITARY COSTS TO CANADA

Question No. 1,625—**Mr. Herridge:**

1. What is the capital investment to date, since Canada joined the NATO Alliance infrastructure in all countries in Europe?

2. What is the capital cost of the squadrons of the R.C.A.F. stationed in Europe?

3. What is the annual cost of maintaining these squadrons in Europe?

4. What is the annual cost of maintaining one brigade of the Canadian army in Germany and other countries?

5. What is the annual cost of transporting defence forces and their dependents between Europe and Canada?

Hon. Paul Hellyer (Minister of National Defence): 1. Total contributions paid by all NATO nations to the NATO commonly financed infrastructure program since it began in 1951 have amounted to approximately $2,694,000,000 up to March 31, 1966. Canada's contributions paid during the same period have amounted to $152,300,000.

2. The estimated capital cost of the aircraft presently supplied to No. 1 air division as at April 30, 1966, amounts to $211,600,000. Additionally, the capital costs of the fixed facilities at the Canadian bases of No. 1 air division are estimated to have cost $14,700,000, of which $11,000,000 was spent in France and $3,700,000 in Germany. These costs do not include the costs of those facilities commonly financed by the NATO infrastructure programs referred to in 1 above nor do they include the cost of facilities in Germany financed by Germany as a charge to occupation and defence support costs.

[Mr. McIlraith.]

3. The total estimated annual cost of maintaining No. 1 air division is $85,300,000. This figure includes certain elements of annual cost incurred in Canada in support of the air division such as operational training and airlift support.

4. The estimated total annual cost of maintaining No. 4 CIBG in Germany is $64,500,000. This figure includes the cost of ammunition supplied from Canada and air-lift support costs.

5. The estimated annual cost of transporting defence forces and their dependants between Europe and Canada is $7,500,000. This amount includes costs of moving and storing household goods in Canada and air-lift support costs for passengers.

RESTRICTIVE TRADE PRACTICES COMMISSION

Question No. 1,626—**Mr. Saltsman:**

1. What is the total staff of the Restrictive Trade Practices Commission?

2. How many of these are professionally trained in the fields of economics, law, business administration, engineering, accounting and planning?

3. How many of these have post graduate training?

4. What are the salaries in each of these fields in the commission?

5. What vacancies exist in each of these fields in the commission?

6. Is it the intention of the commission to enlarge its staff?

7. How many of the staff are engaged in economic research and planning?

8. What research projects are in progress by the commission?

Hon. Guy Favreau (President of the Privy Council): 1 and 2. The restrictive trade practices commission has a staff of five of whom four are secretarial and one is an economist.

3 and 4. The economist has postgraduate training and is paid a salary of $13,006.

5. None.

6. Not at the present time.

7 and 8. The commission does not carry on economic research except with reference to statements of evidence placed before it by the director of investigation and research under the Combines Investigation Act.

COMBINES INVESTIGATION BRANCH

Question No. 1,630—**Mr. Saltsman:**

1. What is the total staff of the Combines Investigation Branch?

2. How many of these are professionally trained in the fields of economics, law, business administration, engineering, accounting and planning?

3. How many of these have post graduate training?

4. What are the salaries in each of these fields in the branch?

5. What vacancies exist in each of these fields in the branch?

6. Is it the intention of the branch to enlarge its staff?

7. How many of the staff are engaged in economic research and planning?

8. What research projects are in progress by the branch?

Hon. Guy Favreau (President of the Privy Council): 1. Permanent staff: 72 (officers: 32; other: 40)

Temporary, technical or special assistants (sections 24 and 25 of the Combines Investigation Act): 16

(Includes 6 students employed for the summer who have as yet no degree in the professional subjects referred to in part 2 and one technical assistant).

2. Officers*		Temporary or Special Assistants	
Economics:	13	Economics:	6
Law:	11	Law:	1
Accounting:	5	Accounting	—
Business administration	10	Business administration	2

*In some cases persons are trained in more than one field and are shown in each field.

3. Postgraduate training: Officers: 8; temporary or special assistants: 2.

In addition there are a number who have more than one undergraduate degree.

4. Salaries of permanent officers range from junior executive officer to director and officers in different fields may hold the same position. The range of salary, as at June 15, 1966, in each position is as follows:

J.E.O., $4,920-$7,200; C.I.O. 1, $4,920-$7,200; C.I.O. 2, $6,798-$8,000; C.I.O. 3, $8,014-$9,158; C.I.O. 4, $10,081-$11,800; C.I.O. 5, $12,055-$13,600; C.I.O. 6, $15,778-$16,900; SCIO, $18,000-$19,000; Deputy Director, $20,250-$21,250; Director, $22,680.

Range of salaries will be changed as of July 1, 1966.

Students are paid in accordance with the salary schedule established by the Civil Service Commission (T.B. 648683) and these range from $400 to $430 per month depending on length of university training.

Other temporary and special assistants are paid according to qualifications. Some are paid on a per diem basis and others on a monthly basis.

5. There are two vacancies in the professional staff. Steps are being taken to fill these vacancies.

6. Yes. See report of the director of investigation and research, Combines Investigation Act, for the year ended March 31, 1965 at pages 77 and 79.

7. In every major case some economic research is involved but in addition there are 9 persons working full time on economic research.

8. General inquiry into mergers in Canada in the period of 1945-1961. Study of services presently not within the purview of the Combines Investigation Act.

SATELLITE APPLICATION, STATION CJCH TV

Question No. 1,659—**Mr. Coates:**

1 Did the government impose a freeze on the consideration of an application by CJCH TV to the B.B.G. for an increase of power for its satellite that serves the Cumberland-Westmorland area of Nova Scotia and New Brunswick and, if so, on what date?

2. Will such an application be considered by the B.B.G. from CJCH TV and, if so, when?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The freeze on the extension of alternative television services was in effect prior to the receipt of this application.

2. See statement by the Minister of Transport on July 5, 1966, in response to an oral

question from J. B. Stewart, M.P., parliamentary secretary to the Minister of Public Works on page 7187.

ELECTRONIC LECTURE SYSTEM, NATIONAL GALLERY

Question No. 1,672—**Mr. Stanbury:**

Is consideration being given to the installation of an electronic lecture system in the National Gallery of Canada, similar to that in the National Art Gallery in Washington, to enhance both the educational value of the exhibits and their enjoyment by the public?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the National Gallery of Canada as follows: Yes.

BARLOW-CÔTÉ LABORATORY, QUEBEC

Question No. 1,695—**Mr. Isabelle:**

1. Has the government knowledge that the Barlow-Côté Laboratory situated in Quebec city distributed S.D.M. tablets containing sulfamethoxypyridazine when they should have contained sulfadimethoxine as per the label?

2. Have any measures been taken against this laboratory?

3. Have legal proceedings been instituted?

4. Who are the owners of this pharmaceutical company?

5. How long has it been in business?

6. How many products classified as "new drugs" have been put on the market by this company?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Barlowe Drug Laboratories, Registered, previously known as Barlowe-Côté Drug Laboratories, distributed a product containing sulfamethoxypyridazine which was labelled as containing sulfadimethoxine. This labelling error has now been corrected.

2. Not for the situation referred to in Question 1. However, measures against this company have been taken on several occasions.

3. Yes.

4. Mrs. Jeannine Côté Van Ular is the sole owner of Barlowe Drug Laboratories, Registered.

5. Since 1961.

6. Five.

[*English*]

RECOMMENDATIONS ON DRUG PATENT LICENSING

Question No. 1,700—**Mr. Isabelle:**

1. Has the government decided to follow the recommendations contained in the Hilliard report on patent licensing tabled in the House of Commons on May 12, 1966?

2. Has the Food and Drug Directorate of the Department of National Health and Welfare advised anyone that the recommendations of the above-mentioned report cannot be enforced under the Food and Drugs Act and, if so, what measures, if any, does the government intend to take to enforce them?

[*Translation*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. The Hilliard Report contained recommendations which related to both the Patent Act and the Food and Drugs Act. The Department of National Health and Welfare is prepared to implement the recommendations as far as the authority provided in the Food and Drugs Act will permit.

2. The recommendations of the report have been discussed with appropriate officers of the Department of National Health and Welfare, the Commissioner of Patents and representatives of the Pharmaceutical Manufacturers Association of Canada, as well as individual pharmaceutical manufacturers. While not all these recommendations can be implemented in the exact form proposed by the Committee, it is considered that their general intent can be met under the present Food and Drugs Act. Action has already been taken in regard to several of these proposals and the remainder are under study.

[*English*]

ANTI CIGARETTE SMOKING CAMPAIGN

Question No. 1,707—**Mr. Noble:**

What action has been taken since January 1, 1966, by the Department of National Health and Welfare in respect to the promotion of the anti cigarette smoking campaign?

Hon. A. J. MacEachen (Minister of National Health and Welfare): The health educational material intended for the long term Canadian smoking and health program requires a lengthy production schedule but is progressively becoming available for distribution. Since January 1, 1966, two films produced for the Department of National Health and Welfare have been completed and released. One film is now being shown to the general public in theatres across the country; the other, a documentary film of the Canadian youth conference on smoking and health of May, 1965, is being distributed through public health and educational channels. In addition, the Department of National Health and Welfare has continued its experimental series of

display advertisements in a national monthly publication, *Canadian High News,* directed to high school students across the country. The distribution of pamphlets, reprints, fact sheets, films and bibliographies as well as the exhibition of special displays has also continued. A number of new items have been initiated including publications, posters and short films for television showing and will become available later this year.

The promotion of research into the extent and nature of smoking habits in Canada and the motivational aspects of smoking has been continued. A number of reports have been received since January 1, 1966 and are being reviewed or analysed.

INTERNATIONAL AGENCY FOR CANCER RESEARCH

Question No. 1,716—**Mr. Howe (Hamilton South):**

Has the Canadian government given consideration to joining the world health organization's international agency for research in cancer?

Hon. A. J. MacEachen (Minister of Health and Welfare): The relationship of Canada to the international agency for research on cancer has been under active and continuous study since the original initiative was taken in 1964 by the five founding governments and the agency was established by the 18th World Health Assembly in May 1965. The present position is to observe further developments and to reassess the question of membership on the basis of additional information to be made available in future reports of the agency and the World Health Organization.

ONTARIO AND QUEBEC MEMBERS OF ARMED FORCES

Question No. 1,725—**Mr. Godin:**

1. How many Canadians from (a) Ontario (b) Quebec were members of the Canadian armed forces from 1939 to 1945?

2. Of this number, how many have left the armed forces and receive a pension (a) with respect to the province of Ontario (b) with respect to the province of Quebec?

3. How many Canadians from (a) Ontario (b) Quebec were members of the Canadian armed forces during the Korean war?

4. Of this number, how many have left the armed forces and receive a pension (a) with respect to the province of Ontario (b) with respect to the province of Quebec?

[*Translation*]

Hon. Léo Cadieux (Associate Minister of National Defence): 1. (a) 413,364; (b) 179,705.

3. (a) 46,278; (b) 22,307.

2. and 4. Information is not now available to provide an accurate answer to these questions and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

[*English*]

PAY OF ELECTRICIANS, DEFENCE DEPARTMENT

Question No. 1,740—**Mr. Madill:**

1. When was the rate of pay per hour for electricians in the Department of National Defence last reviewed?

2. Are staff requirements being filled by unskilled labour as a result of the rates of pay being below that of electricians in the surrounding industrial area?

3. Are carpenters and plumbers being paid a higher rate of pay per hour than electricians by the Department of National Defence and, if so, is this resulting in transfers within the Department?

4. Will a review of the wage status of civil servants working for the Department of National Defence be made in the near future?

5. Has any adjustment been made in the past three years?

6. Is the quality of maintenance and construction in the Department of National Defence falling short of requirements because qualified electricians cannot be obtained owing to rates of pay?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. The rates of pay for electricians and other prevailing rate classes are reviewed annually by the Treasury Board and the Department of Labour, each locality having its own date of review. Consequently the rate of pay for electricians in each locality has been reviewed within the past year or is about to be reviewed.

2. No.

3. (a) Depending upon the locality, the rate of pay for electrician may be equal, higher, or lower than the rate of pay for carpenters and plumbers. (b) No.

4. As the previous questions deal with prevailing rate employees it is presumed this is what is meant by "civil servants" and the answer is the same as in 1 above.

5. Yes. In the last three years, there have been at least three reviews at each location and adjustments approved where warranted.

6. No.

Questions

RAIL DIVERSION, SOUTH SASKATCHEWAN DAM PROJECT

Question No. 1,746—**Mr. McLelland:**

1. What is the estimated cost of the diversion of the C.P.R. railway track between Brownlee and Elbow, Saskatchewan, due to the construction of the South Saskatchewan river dam and irrigation project?

2. What is the estimated cost for the overpass being constructed over the C.P.R. line on No. 19 highway?

3. What engineering firms were hired for this project?

4. Were tenders called for this project?

5. Who was responsible for determining the location of this diversion?

Hon. J. J. Greene (Minister of Agriculture): 1. $1,552,000.

2. $105,000.

3. Underwood McLellan & Associates Limited, Saskatoon, were hired by the Province of Saskatchewan to design the highway overpass.

4. Yes.

5. The general location was developed by engineers of the Canadian Pacific Railway and the department. At the request of the province of Saskatchewan three alternatives on the north side of the valley were considered by the South Saskatchewan river development board, having regard to the effect on the recreation development and project cost. The present location was agreed to by the two governments and was subsequently approved by the Board of Transport Commissioners on application of the Canadian Pacific Railway.

FOREST ACCESS ROAD, CHAPLEAU CONSTITUENCY

Question No. 1,759—**Mr. Laprise:**

1. What was the cost to the government for the clearing and construction of the forest access road built in the townhsip of Mégiscane in the constituency of Chapleau?

2. How many men were employed in the construction of this road?

3. What contractors took part in the construction of this road?

Hon. Maurice Sauvé (Minister of Forestry): 1. The cost to the federal government for the clearing and construction of the forest access road in the township of Mégiscane in the constituency of Chapleau between April 1, 1962 and March 31, 1966, amounted to $144,572.24.

[Mr. Cadieux (Terrebonne).]

2. The number of men employed in the construction of this road were as follows: 1962-63, 26 men; 1963-64, 17 men; 1964-65, 24 men; 1965-66, 24 men.

3. Nil—Construction of road by use of day labour.

R.C.M.P. QUARTERS, HAMPTON, N.B.

Question No. 1,763—**Mr. Fairweather:**

1. Are the Royal Canadian Mounted Police renting or has the government purchased, the building they occupy at Hampton, New Brunswick?

2. If the building is rented, what is the monthly rent and, if the building is owned by the government of Canada, how much did it cost?

Hon. L. T. Pennell (Solicitor General): 1. The R.C.M.P. are renting the building they occupy at Hampton, New Brunswick.

2. $180 per month.

*GNU DEVELOPMENT'S LTD., BANKRUPTCY

Question No. 1,769—**Mr. Macaluso:**

1. Is the superintendent of bankruptcy taking steps to investigate the bankruptcy of Gnu Developments Limited, Hamilton, Ontario, and its mortgage dealings with Traders Realty Limited?

2. Is the Department of Justice actively investigating the same matter to determine whether charges of fraud or other criminal charges may be laid?

Hon. Lucien Cardin (Minister of Justice): As the hon. member for Hamilton West knows, Mr. Speaker, the superintendent of bankruptcy has a number of investigations under way at present. However, I do not think it would be in the public interest to disclose which of the estates in bankruptcy is presently under investigation.

Question No. 1,775—**Mr. Bell (Carleton):**

SPECIAL SECRETARIAT ON BILINGUALISM

1. What are the names of the officers appointed to the special secretariat on bilingualism in the public service?

2. What previous experience has each such officer had?

3. Does any such officer have duties in the public service other than those appurtenant to the special secretariat?

4. If so, what duties?

5. To whom does the special secretariat report and which minister will report to parliament for its activities?

6. Have any terms of reference or other statement of duties and functions been formulated for the special secretariat?

7. If so, in what manner and what are such terms of reference or other statements of duties and functions?

Mr. P. E. Trudeau (Parliamentary Secretary to Prime Minister): 1. John S. Hodgson, director. Robert Elie, associate director.

2. Previous experience is outlined in the following biographies:

John S. Hodgson was born in Montreal, March 1, 1917, and educated at Montreal High School and McGill University. He was selected as a Rhodes scholar in 1937 and attended St. John's College, Oxford University. He was awarded his D. Phil. degree in economic history in 1940.

During 1940-41, Dr. Hodgson was in the Department of Labour where he worked on the drafting of the Unemployment Insurance Act. He served in the Canadian navy during the second world war 1941-45, for part of that time as assistant director of naval plans. He was awarded the O.B.E., and when demobilized held the rank of commander.

In 1946 Dr. Hodgson joined Central Mortgage and Housing Corporation and in 1957 was appointed executive director. In 1959, he was appointed assistant secretary to the cabinet, a position he held until September 1, 1963, when he was appointed assistant deputy minister of national defence. He became principal secretary to the Prime Minister January 6, 1966.

From 1946-52, Dr. Hodgson was secretary of the Rhodes scholarship trust committee of the province of Quebec and in 1953 was its chairman. He is a director of the centennial commission and of Defence Construction Limited. He is Canadian government representative on the Canadian Council on Urban and Rural Research. He is an officer of the Canadian Club of Ottawa, the Boy Scouts Association of Canada and member of the Canadian Political Science Association and the Institute of Public Administration.

Robert Elie was born in Montreal, April 5, 1915, received his Bachelor of Arts from the University of Montreal in 1935 and studied literature at McGill University 1936-1940.

He was a member of the founding group of the newspaper "La Relève" and was associated with the publication from 1935-1944. He was a reporter and arts critic for "Le Canada" and "La Presse" 1940-1943. He then joined the C.B.C. as editor of the information service and later became director of conference services.

In 1947-48 Mr. Elie was chief editor of the Montreal publication "Architecture". He returned to the C.B.C. in 1949 as assistant director of the press and information service for the province of Quebec. In 1953 he became the director. In 1957 he left C.B.C. to become director, École des Beaux Arts of the province of Quebec.

Mr. Elie was appointed cultural counsellor to the agent general of the province of Quebec in Paris in 1961.

He is the author of several novels and plays and was co-editor, with Jean LeMoyne, of "Poésies complètes" and the "Journal" of Saint-Denys Garneau.

3 and 4. Yes. Mr. Hodgson is principal secretary to the Prime Minister.

5. The Prime Minister.

6 and 7. Yes. On April 6, 1966, in the House of Commons, the Prime Minister outlined the government's policy and program on bilingualism in the public service of Canada. In that statement the Prime Minister announced that the secretariat on bilingualism was being established within the Privy Council office, and indicated that "working in close consultation and co-operation with the Civil Service Commission, the Treasury Board and all deputy ministers and heads of agencies, it will be responsible for ensuring the co-ordinated and progressive implementation of the government's policy and program regarding bilingualism in the public service".

P.F.A.A. EMPLOYEES UNDER CIVIL SERVICE ACT

Question No. 1,784—**Mr. Southam:**

Is it the intention of the government to bring the permanent employees responsible for the administration of the Prairie Farm Assistance Act under the provisions of the federal Civil Service Act, and as a consequence provide a much better sense of security for these valuable employees?

Hon. J. J. Greene (Minister of Agriculture): This is a matter of government policy and when a decision is reached, an announcement will be made.

Hon. Michael Starr (Ontario): I rise on a question of privilege, Mr. Speaker, affecting those members who have questions on the order paper now, as well as myself. We have continuously asked the government to co-operate with members who ask questions which are ruled out on orders of the day and which have to be placed on the order paper. We expected these questions would be answered within a reasonable time. Many of these questions have been on the order paper for months, far beyond a reasonable length of time. We plead again for the government to concentrate upon answering these questions.

In my own case I want to direct attention to the fact that question No. 1,692 was placed on the order paper on June 14. It is a very straightforward question that does not necessitate any great deal of research, yet it has remained on the order paper for approximately three weeks. I would ask the government whether they would co-operate and answer these questions.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, respecting question No. 1,777, while it has not been on the order paper for a long period of time I understand that the Unemployment Insurance Commission is intending to close something like 30 to 40 offices during the summer months. Inasmuch as this may be the last day before the recess when questions will be called, I wonder whether the Minister of Labour will give some consideration to giving us this information so that by the time the question is answered all these offices will not have been closed.

Hon. J. R. Nicholson (Minister of Labour): I will give the suggestion very serious consideration, Mr. Speaker.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, on a question of privilege, I too along with the other hon. members should like to bring to the attention of the house leader or whoever is responsible question No. 894, which has been on the order paper since March 1. This is not a complicated question by any means and does not require any research. I was wondering whether I could have a reply to it as soon as possible.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, would you be so kind as to call notice of motion No. 145?

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

[*English*]

CORRESPONDENCE TO, FROM AND RESPECTING A. G. HEAKES

Motion No. 145—**Mr. Langlois (Mégantic):**

That an order of the house do issue for a copy of (a) letter of May 19, 1963, from A. G. Heakes to the Honourable Lionel Chevrier, Minister of Justice together with its covering letter of May 21, 1963 (b) letter from Miss Marguerite Ritchie, Executive Assistant to Honourable Lionel Chevrier of July 16, 1963, acknowledging the said letter from A. G. Heakes of May 19, 1963 and its covering letter of May 21, 1963, to Mr. Chevrier (c) all other letters listed in Miss Ritchie's leter of July 16, 1963, to Mr. Heakes (d) complete dossier of court records relating to Mr. Heakes' proposal No. 37-1955 SCM as held in Department of Justice and in particular (i) original proposal of February 7, 1955 (ii) amended proposal of May 31, 1955 (iii) report of the debtor's proposal of September 14, 1955 with its attached record of creditors' meetings and minutes of said meetings (iv) judgment of November 22, 1955 ratifying said proposal (v) petition of Trustee Dansereau of June 3, 1958, to cancel proposal (vi) judgment of June 9, 1958, cancelling proposal; also attached envelope adressed by registered mail and returned as evidence that Mr. Heakes had moved from his place of business (vii) Trustee's motion for discharge of July 2, 1959 (viii) Trustee's petition to cancel unreinstated proposal of August 8, 1963, together with its attached exhibits of minutes of creditors' meetings held on March 8, 1955 and April 15, 1955 (ix) judgment of September 11, 1963, cancelling the unreinstated proposal for a second time (x) judgment of September 12, 1963, discharging Trustee (xi) notice of discharge hearing on September 12, 1963, if any (e) correspondence covering arrangements for postponement of discharge hearing as referred to by the Honourable Davie Fulton in Department of Justice estimates of June 9, 1961 (f) reports by Registrar Gerard Deniger to Department of Justice re cancellation of proposal including all correspondence with and/or reports on other contacts with Registrar Deniger (g) all correspondence and/or other communications with Trustee J. Alexandre Dansereau and/or reports on same (h) report on investigations into cancellation as recorded in speech by the Honourable Davie Fulton in Department of Justice estimates of June 9, 1961 (i) telegram of October 15, 1959, from Mr. Heakes to Mr. Favreau requesting production of papers relating to proposal (j) letter of February 4, 1965, to the Honourable Guy Favreau, Minister of Justice, together with its enclosure of letter of February 2, 1965, to the Rt. Honourable Lester B. Pearson (k) all letters to Mr. A. G. Heakes from officers and Ministers of Department of Justice and in particular (i) letter of February 5, 1960 from Assistant Deputy Minister Favreau (wrongly dated February 5, 1940) to Mr. Heakes (ii) letter of July 16, 1959, from Supt. Larose to Mr. Heakes (iii) letter of November 9, 1959, from Miss K. Kierans, Secretary to the Honourable Davie Fulton to Mr. Heakes (iv) letter of the Honourable Davie Fulton, referred to in said letter of Miss Kierans, to the Honourable George Hees (v) all other letters from officers of the Department of Justice and Ministers of Justice to Mr. Heakes (l) letters of July 14, 1959, and July 15, 1959 to Supt. Larose (m) letters and other communications from Mr. Heakes to officers of the Department of Justice and the Minister of Justice listed in the said letter of Miss Kierans of November 9, 1959 (n) letter of August 20, 1963, from A. G. Heakes to Justice Minister (o) copy sent to Mr. Chevrier of telegram of August 25, 1963, from A. G. Heakes to Associate Chief Justice, George Challies (p) copy of brief submitted by A. G. Heakes dated September 1963 to House of Commons Standing Committee on Banking and Finance, re proposed amendment, Bill C-5, to Bankruptcy Act (q) all letters and other communications from A. G. Heakes to Prime Minister Pearson in 1963, 1964, and 1965 and in particular (i) letters addressed to him in January

1964 (ii) letter of December 20, 1965 (iii) letter of December 22, 1965 (iv) telegram of December 25, 1965 (v) letter of January 1, 1966 (vi) letter of January 17, 1966, with its enclosure of a letter of January 11, 1966, to Pierre Elliot Trudeau, M.P. (vii) letter of January 18, 1966 (viii) letter of January 24, 1966, with its enclosure (ix) letter of February 6, 1966 (x) letter of February 8, 1966, with its enclosure (xi) letter of February 9, 1966 (xii) letter of February 12, 1966 (xiii) letter of February 14, 1966.

Hon. Lucien Cardin (Minister of Justice): Mr. Speaker, to accept this motion would involve disclosure of virtually the complete departmental file, which would be contrary to accepted practice. Therefore I must take the position that this motion should not be accepted.

Mr. Langlois (Mégantic): Then may I ask that this motion be transferred for debate, Mr. Speaker?

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to bring to the attention of the hon. Parliamentary Secretary to the Secretary of State that I have yet to receive the papers covered by notice of motion No. 118, although the said motion was agreed to on April 27.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, notices of motions for papers Nos. 147 and 148 which appear on the order paper come within the purview of the Department of Trade and Commerce and I wonder whether the Minister of Trade and Commerce (Mr. Winters) could answer them before the end of this part of the session?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, both these motions are acceptable, with the usual reservations about privileged correspondence.

Mr. Speaker: Is it the wish of the house that these two motions referred to by the hon. member for Lapointe (Mr. Grégoire) be deemed to have been accepted, subject to the reservation mentioned by the Minister of Trade and Commerce?

Some hon. Members: Agreed.

CORRESPONDENCE BETWEEN PAUL LABRIE AND D.B.S.

Motion No. 147—**Mr. Grégoire:**

That an order of the House do issue for a copy of all correspondence exchanged since November 8, 1965, between Mr. Paul Labrie of Arvida, Quebec and any official of the Dominion Bureau of Statistics.

Motion agreed to.

CORRESPONDENCE BETWEEN PAUL LABRIE AND TRADE DEPARTMENT

Motion No. 148—**Mr. Grégoire:**

That an order of the House do issue for a copy of all correspondence exchanged since November 8, 1965, between the Minister of Trade and Commerce or any official of the Department of Trade and Commerce and Mr. Paul Labrie of Arvida, Quebec.

Motion agreed to.

CANADIAN BROADCASTING CORPORATION

REPORTED STRIKE OF PROGRAM STAFFS IN PUBLIC AFFAIRS DEPARTMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Prime Minister. May I ask the Prime Minister whether he has been made aware of the emergency situation created in the C.B.C. which has had the effect of putting the administration of its public affairs department in a shambles? Is he aware that the program staffs of "Seven Days", "Compass", "Document' and the new bilingual program "Quarterly Report" have gone on strike and suspended operations, and that ACTRA —that is the Association of Canadian Television and Radio Artists—are co-operating with the producers association in the dispute?

What does the Prime Minister intend to do regarding this matter? What action is the government going to take?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not aware of any emergency situation in the Canadian Broadcasting Corporation, but I should be very glad to bring to their attention the observations of my right hon. friend and ask them to report on that matter.

Mr. Diefenbaker: Mr. Speaker, the Secretary of State might be able to supply or supplement the lack of information the Prime Minister has given the house. What action is

being taken in this connection? I ask this because I came in here originally intending to move the adjournment of the house, it is so serious a matter.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Instead of doing that I felt information should be forthcoming.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I had a telegram at noon from Mr. Leiterman giving the text of a statement he had given out. I have not anything further from him, from management, or from the individuals named. The telegram indicates that Mr. Leiterman understands that two other producers are considering similar action. The programs mentioned are "Seven Days", "Document" and "Quarterly Report".

I should imagine that management will be dealing with this statement and with any action taken by Mr. Leiterman and the other two men, if such action is taken. There is also a reference to the "Compass" series.

I do not know that a delay of a day or so will constitute any sort of emergency with respect to the matter. The programs are prepared over some length of time in advance. It would seem to me that this is the kind of decision for which parliament selects managing officers and instructs them to manage. I would not suggest to the house that any of us would be in a position to decide whether this could be a matter of emergency. Certainly it will be some months before the fall season starts, some time in September or October. Another day or so surely will not have any effect on the matter.

I have no doubt that the president, vice president and the board will be making some statement later in the day and taking appropriate action.

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question, Mr. Speaker. I wonder if the hon. lady, the Secretary of State, feels that the proposed move to Toronto of Mr. H. G. Walker by the corporation is within the spirit of the Keate report, or the report of the parliamentary committee on broadcasting, or the white paper for that matter.

Mr. Speaker: Order, please. I do not think this question in this form is acceptable. The hon. member will recognize that when he asks a question about the removing or moving of employees and the spirit of a report, that is certainly not a question which should be asked now.

[Mr. Diefenbaker.]

Mr. R. W. Prittie (Burnaby-Richmond): My question to the Secretary of State is supplementary, Mr. Speaker. Can the Secretary of State confirm whether the production staff ceased working at noon today? Also, I point out to her that the program "Compass" is not a fall program, but is scheduled for this Sunday.

Miss LaMarsh: I do not know whether in fact that action has been taken, but Mr. Leiterman is a very determined man. He says in this telegram which I received at noon that he is going to stop his staff working at noon, and I assume he did.

Mr. Arnold Peters (Timiskaming): A supplementary question, Mr. Speaker. Can the Secretary of State inform the house whether it is true that Mr. Walker has been appointed vice president for the Toronto area following the director's meeting yesterday?

Miss LaMarsh: Mr. Speaker, I heard this rumour yesterday, and I at once had the president contacted. I was informed that he had made a statement; I am not certain whether it was yesterday or this morning. Perhaps I might read it to the house:

> I note that rumours are circulating that Mr. H. G. Walker had been appointed to the senior vice presidential position at Toronto referred to in the recent parliamentary committee report and in the statement which I issued yesterday on behalf of the C.B.C. board of directors. These rumours which began in Toronto yesterday afternoon and have since been given further currency on radio and television are false. The idea of establishing positions of certain V.P.'s at Toronto and Montreal was accepted by the board less than a week ago and there certainly has been no time to consider appointments to them.

[*Translation*]

MONTREAL—CONSTRUCTION OF HEADQUARTERS BUILDING

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the hon. Secretary of State.

Could the minister tell the house whether it is true that construction of the C.B.C. building in Montreal has slowed down and that this is not one of the immediate projects of the C.B.C.?

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): I think I know to what the hon. member refers. The new minister without portfolio

apparently did not understand the situation in Quebec. The statement which was given at the time at a press conference a week or so ago in Montreal is an accurate statement, and the maquette which was shown represents the building to be constructed.

It will be noted that the white paper tabled the day before yesterday indicated the government's approval of the construction. It also indicated that construction itself will not take place until past the peak of Expo construction, for the obvious reason that sufficient skilled people in the building trades are not available for all building tasks. So construction will be delayed in order to take the pressure off the demand for construction at Expo in the last month or so before its opening.

I am informed by Mr. Ouimet that the call for tenders has gone out. To my knowledge no replies have been received as yet. Excavation will not be started until October. I am told this will be one of the biggest excavations ever made. The digging will go on and the forms for the building and the foundations will be laid. It is not anticipated that the excavation will be completed until the spring of 1967 when construction will probably commence.

Mr. Speaker: Order. After hearing the minister's reply I have come to the conclusion that the question should have been placed on the order paper.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker—

Mr. Speaker: Order. I would suggest to the hon. member that the question is not so urgent that he must obtain the information immediately, and I would suggest he put it on the order paper.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—CONSIDERATION OF PROPOSAL BY UN SECRETARY GENERAL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to ask this question of the Secretary of State for External Affairs. In fact I gave him notice of it, but in his absence I should like to address it to the Prime Minister.

In view of the continuing escalation of the war in Viet Nam would the Prime Minister give consideration to the possibility of consulting with the governments of the United Kingdom, France and other countries of western Europe for the purpose of making a joint appeal to the government of the United States to implement the proposal of Secretary General U Thant that the bombing of North Viet Nam be stopped as a first step toward possible peace negotiations.

Right Hon. L. B. Pearson (Prime Minister): I would be glad, of course, to give consideration to the hon. member's suggestion, but I would point out that we are in close touch already with the governments to which he has referred and which share our concern to find a basis on which negotiations can be started looking toward peace in Viet Nam.

I am not convinced, however, that we have reached the stage where public appeals to one side or the other are likely to be more productive of results than the kind of diplomatic efforts upon which we have been engaged over recent weeks and months. With regard to the particular proposal of the Secretary General of the United Nations I do not think I can go beyond the reply given to a similar question by the Secretary of State for External Affairs on June 21.

HIGHWAY SAFETY

ESTABLISHMENT OF NATIONAL ACCIDENT RESEARCH CENTRE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): My question is directed to the Minister of Industry who is responsible to the house for the National Research Council. It is based on a National Research Council news release issued today in which the statement is made that a council study group has urged the Canadian government to establish a national motor vehicle accident research centre to find ways of reducing the number and seriousness of accidents on Canadian roads and highways. I should like to ask the minister whether the government is giving serious consideration to this recommendation and when we might expect an announcement with regard to it.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the government is giving serious consideration to this recommendation and would not like to set a deadline for an announcement.

Inquiries of the Ministry

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO FURTHER FEDERAL-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Have any of the provincial governments requested that a meeting be held between the provincial ministers of health and himself regarding the medicare legislation which is expected to follow the medicare resolution, No. 82 on the order paper today? If so, does the minister expect to call such a federal-provincial conference in the immediate future?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the minister of health for the province of Alberta has requested me to convene a meeting of ministers of health and I sent out telegrams, almost immediately upon receipt of that request, to all the other ministers of health in Canada. It will depend on the response received whether such a meeting will be convened. Certainly if there is an interest in having such a meeting at an early date I shall be happy to convene it.

EXPO '67

INQUIRY AS TO SUPPORT BY BUSINESS COMMUNITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Were the results of his conference with businessmen in Toronto yesterday such as to convince him that Expo '67 will receive the necessary support from the business community in Canada to make it a resounding success?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, we had a very good conference yesterday in Toronto at which four companies and the Salvation Army announced their participation in and sponsorship of projects at Expo.

Some hon. Members: Hear, hear.

Mr. Winters: Expo, however, is still not receiving the full measure of support it merits from private enterprise. Participating in Canadian institutions is one of the important principles of good corporate citizenship. The principles of good corporate citizenship were uniformly well received, and on the strength of that I expect that more Canadian companies will now wish to participate in Expo.

[Mr. Drury.]

BROADCASTING

STUDY OF COAST TO COAST SERVICES IN BOTH LANGUAGES

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I have a question for the Secretary of State which relates to the recently released white paper on broadcasting. On page 9 it states:

> The time has also come to consider full national network services in both official languages from coast to coast, and a detailed study of all aspects of this question will be undertaken forthwith.

In view of that statement is the hon. lady in a position to tell us when this study will be undertaken and by whom it will be carried out?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, as I understand the situation, it has been undertaken. The word "forthwith" was inscribed on paper some weeks ago before the document was printed. I understand it is being done under the aegis of my learned and cultured friend the Minister of Transport (Mr. Pickersgill).

INQUIRY AS TO ESTABLISHMENT OF COUNCILS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the hon. Secretary of State. I wonder whether the hon. lady could tell us how the regional broadcasting councils which are mentioned in the white paper on broadcasting will be established, and if it is possible that these councils will be set up without reference to parliament?

Mr. Speaker: Order, please. I suggest the question is out of order.

NATIONAL DEFENCE

CONSIDERATION OF BRIEF FROM HALIFAX "DOCKYARD" COUNCIL

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, to give more gravity to our discussion may I direct a question to the Associate Minister of National Defence and ask him would he advise the house whether he has received a brief from the dockyard trades and labour council in Halifax and, if so, will he assure them and the Atlantic community, and indeed the whole nation, that he will meet with them in the very near future for the purpose discussing the contents of that brief?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes, Mr. Speaker, I have received that brief, and I am pleased to inform the hon. member that I have written this morning to the president of the dockyard trades and labour council, telling him I am trying to arrange the requested meeting with representatives of the Department of National Defence and Treasury Board, and I hope it will take place within two weeks' time as requested.

VETERANS AFFAIRS

TORONTO—REPORTED AGREEMENT TO SELL SUNNYBROOK HOSPITAL

On the orders of the day:

Hon. Léo Cadieux (Acting Minister of Veterans Affairs): Mr. Speaker, while I am on my feet may I take this opportunity to answer a question asked of me yesterday by the hon. member for York-Scarborough concerning Sunnybrook hospital in Toronto. A draft agreement with respect to this hospital has now been completed and concurred in by representatives of the government and the province of Ontario. It has not been signed, as it must await the passage of enabling legislation by the province.

The agreement will actually be with the governors of the University of Toronto and a new corporation, to be known as Sunnybrook hospital, rather than with the province directly. I am pleased to report also that veterans will continue to have priority of admittance to Sunnybrook hospital.

TRANSPORT

PROVISION OF BOX CARS TO MOVE GRAIN

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I wish to direct a question to the Minister of Finance in his capacity as reporting to the house for the Canadian Wheat Board. In view of the fact that there are only 21 shipping days left before the end of the crop year, July 31, will the minister confer with his colleague the Minister of Transport in order to see that sufficient box cars are directed to several grain congested areas in western Canada?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been in touch with the Canadian Wheat Board within the last 24 hours and they are doing everything possible to equalize quotas. I think the railways this year have done a magnificent job, and I would like to put that on record.

LABOUR RELATIONS

COMPLAINTS RESPECTING ALLEGED PROVISION OF COMPULSORY ARBITRATION

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 Minister of Labour. Has he received complaints from members of the I.L.A. regarding the industrial inquiry commission to be set up? Further, has he been informed that during the progress of discussions, at which the Prime Minister was present, it was made celar by the representatives of the International Longshoremen's Association that nothing that was done in the setting up of a commission should in any way bring about final and binding decisions? Would the minister tell the house and the country what actually took place in this regard, and what representations were made by the I.L.A. representatives and accepted by the government?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, with regard to the first part, the premise to the right hon. gentleman's question, I can say that that statement is not accurate. When the legislation comes before the house, certain of my cabinet colleagues and I will have full, detailed statements to make, statements that could not be made on orders of the day. In the meantime we will give consideration to the request made to the Prime Minister yesterday by the right hon. member for York South for the tabling of certain documents. They will be filed, I hope, within the next 24 hours.

Mr. Lewis: Thank you for calling me right honourable.

Mr. Diefenbaker: For the sake of clarity, what did the minister mean when he said that the first part of the question was inaccurate? What portion of the question was inaccurate; and I ask this because I was depending entirely on information from the I.L.A.

Mr. Nicholson: It is hard to take statements out of context but I can say this, as I did in answer to a question put by the hon. member for York South some days ago; that before the settlement was agreed upon there was an assurance that legislation would be introduced, and the longshoremen had full knowledge of that fact before the settlement was reached.

Mr. Diefenbaker: Was it also understood that any decision made by the commission would be binding and irrevocable?

Inquiries of the Ministry

Mr. Nicholson: This is part of the difficulty when you get into debate, and this is becoming a debate. I think when the documents are tabled, which I have assured the house will be done within the next 24 hours, I hope, that this will be clear to all hon. members.

VANCOUVER—POSSIBLE TROUBLE FOLLOWING IMPRISONMENT OF UNION OFFICERS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Labour which I asked yesterday of the Solicitor General with respect to the imprisoned longshoremen on the west coast. In the minister's absence I asked the Solicitor General whether consideration would be given to using the powers of the governor in council by way of pardon, remission or otherwise, to have these men freed as soon as possible. The Solicitor General said he proposed to take the question as notice so he would have an opportunity to discuss it with the minister. Has the minister any information on that point?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, when the question was put yesterday I was on my way back from the west coast. After prior consultation with the Prime Minister and while in Vancouver on Monday of this week, I met with representatives of both parties, including two of the leaders of the I.L.W.A. I have been able to give a brief report to the Prime Minister, relating to the request for clemency, but I have not yet had an opportunity to discuss the information I gathered with my colleagues the Minister of Justice and the Solicitor General. I hope to do so today, and the matter will shortly come before cabinet for consideration.

COMMONWEALTH RELATIONS

REQUEST FOR REPORT ON MEETING WITH CARIBBEAN COUNTRIES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I wish to direct a question to the Prime Minister with respect to the important meetings now being held here in Ottawa with delegates from the Caribbean nations. Will the Prime Minister give the house a report and reassert the government's determination to make the results of these meetings lasting and fruitful?

[Mr. Diefenbaker.]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; I will be glad to give that assurance of our desire and intention. If I leave the house in the next minute it will be for that purpose.

BUSINESS OF THE HOUSE

REQUEST FOR CONSIDERATION OF IMMIGRATION APPEAL BOARD MEASURE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the government house leader, and ask whether he would consider bringing forward order No. 83 which has to do with the measure to establish an immigration appeal board. My purpose in making this suggestion for his consideration is that it would give an opportunity for Canadians of ethnic origin and others to study the bill and prepare their briefs. We in our party on this side of the house are prepared to pass this resolution without any debate provided the government house leader can obtain the same assurance from the other groups in this house.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): We are ready to say to the Minister of Public Works that there will be no objection from our group.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): That is our position too, Mr. Speaker.

Mr. R. N. Thompson (Red Deer): We are in agreement with such a suggestion, Mr. Speaker.

Hon. G. J. McIlraith (Minister of Public Works): I might say, Mr. Speaker, that in view of the splendid co-operation we could call it as the first item today.

[*Translation*]

Mr. Grégoire: Mr. Speaker, in connection with the same matter, I should like to ask the government leader to hold public meetings of house leaders in the House of Commons, in order that we might always obtain such speedy results as we had today.

[*English*]

PUBLIC SERVICE

NATIONAL DEFENCE—INQUIRY AS TO RECLASSIFICATIONS

On the orders of the day:

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, on June 30 the hon. member from Halifax inquired of me about the classification revision program as it affects the Department of National Defence. I am informed that the department is today issuing letters to its personnel officers across Canada defining the effect of the classification revision program and outlining how employees are to be informed of the effect of the program as it concerns them.

Hon. members should also not lose sight of the fact that the revision program is being carried out as a prelude to the era of collective bargaining. One of the basic purposes of the pay conversion rules is to provide, as far as is possible, a system of classifications that will enable collective bargaining to be carried out in an orderly fashion. I must also point out that contrary to the impression that seems to have been created, a good number of employees are benefiting from the conversion; that is, they are green circled.

One further point is that the conversion program is not, as some quarters have indicated, a device to save money, since the additional cost of implementation of the program is expected to be about 2 per cent of the present payroll.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, I had intended to ask this question of the Prime Minister, but in his absence I should like to direct it to the Minister of Industry. I wonder whether the Prime Minister has received a letter from the provincial member for Bruce in which that member states that unless a commitment made by the government concerning the designation of the Kincardine area is honoured, he would in future not be able to associate himself with any further declarations.

Hon. C. M. Drury (Minister of Industry): No, Mr. Speaker.

Mr. Eric A. Winkler (Grey-Bruce): I have a supplementary question, Mr. Speaker.

Mr. Speaker: I do not believe the original question was in order. The hon. member might try to put a separate question.

Mr. Winkler: Mr. Speaker, with all deference the minister did answer the question; but I will rephrase the question I wish to put to the Minister of Industry. Is the minister aware that in regard to the request put forward by this particular Liberal member of the Ontario legislature, this was proposed by his supporters and by the government in the last election campaign.

Mr. Speaker: Order, please. This question appears to be out of order for many reasons.

PENSIONS

INQUIRY AS TO LEGISLATION REGULATING PRIVATE PLANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, once again I should like to ask the Minister of Finance when we may see on the order paper the legislation regulating pensions which come under federal jurisdiction.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I expect the hon. gentleman will be able to satisfy his curiosity tomorrow or the next day.

AIRPORTS

SYDNEY, N.S.—POSSIBLE OPERATION ON PART TIME BASIS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is directed to that learned and cultured gentleman the Minister of Transport. May I ask the hon. gentleman whether he is in a position today to reply to the question I posed on Monday in reference to the reported curtailment of operations at the Sydney airport.

Hon. J. W. Pickersgill (Minister of Transport): Yes, sir. Since I do not seem to be able to find the answer among my papers I will do it by memory and correct it tomorrow if I am wrong.

It has been the opinion of the technical officers of the department that between midnight and I think eight in the morning the local air traffic control is not necessary because other arrangements are being made to meet that problem. As for the airport itself, it will be open all the time.

Mr. Muir (Cape Breton North and Victoria): May I ask the hon. gentleman whether similar steps are going to be taken in the province of Newfoundland with reference to airports in that area.

Mr. Pickersgill: I think there have been equally great curtailments in the province of Newfoundland. I regret any curtailment of any sort in either of these provinces.

Hon. Gordon Churchill (Winnipeg South Centre): May I ask the Minister of Transport, who laments the curtailment of air facilities, whether he has the same dismay over the curtailment in respect of the maintenance base of Air Canada at Winnipeg.

Mr. Pickersgill: I would like to rejoice over the immense new air cargo base being built by Air Canada at Winnipeg, and I am sure the hon. gentleman does too.

CANADIAN COAST GUARD

INQUIRY AS TO TENDERS FOR NEW VESSELS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I should like to ask the Minister of Transport to answer the question I asked on Monday.

Hon. J. W. Pickersgill (Minister of Transport): I would be glad to answer the hon. gentleman's question if I could remember what it was. Perhaps he might refresh my memory.

Mr. MacEwan: May I say on that point that the minister made quite a good announcement on the Canadian Coast Guard vessels and so on, and it is something he should not forget.

Mr. Pickersgill: It is expected that the first tender will be called before July 15.

PUBLIC SERVICE

CUSTOMS OFFICERS—PROTESTS RESPECTING CLASSIFICATION PROGRAM

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of National Revenue. I should like to ask him whether he has received a resolution passed by the branch presidents of the customs and excise officers association protesting the implementation of the classification revision program, particularly because of the fact that as a result of this reclassification as many as 40 per cent of their members in an administrative support category have been reduced and downgraded. What is the reaction of the minister to the complaint received from this very responsible body?

[Mr. Muir (Cape Breton North and Victoria).]

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I have not as yet seen the particular telegram mentioned by the right hon. Leader of the Opposition. I should point out to him, however, that as a result of the group B revision which took place last week a good many customs and excise officers will be taken out of the red circled positions. In addition, officers of the association were in touch with my deputy minister last week and within the department we are examining all the people who are red circled. We are considering whether they can qualify for movement to other positions, and so on.

Also I should like to point out that every person who is red circled has been red circled by the Civil Service Commission and the individuals have the right of appeal.

Mr. Diefenbaker: Mr. Speaker, the information I have is from a telegram of the day before yesterday. I should like to ask the minister this. What is the reaction of the government to the request for a regulatory group distinct and separate from the clerical group for people performing regulatory functions?

Mr. Benson: As I said, this particular telegram has not yet come to my attention. Therefore I could not react to this particular question.

Mr. Diefenbaker: Will you tomorrow?

Mr. Lewis: I have a supplementary question.

Mr. Speaker: Order, please. I regret to advise hon. members that the question period has expired. The hon. member for York South (Mr. Lewis) may ask a supplementary question tomorrow.

• (3:20 p.m.)

IMMIGRATION

PROVISION FOR ESTABLISHMENT OF APPEAL BOARD

Hon. Jean Marchand (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish an Immigration Appeal Board and to make provision for appeals thereto in respect of certain matters relating to immigration and to provide for the appointment, remuneration and expenses of the members of the board and the appointment of such officers, clerks and employees as are necessary for the conduct of the work of the board.

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

The Deputy Chairman: Order. House in committee of the whole on a certain proposed resolution to establish an Immigration Appeal Board. Shall the resolution carry?

Some hon. Members: Agreed.

Resolution reported and concurred in.

Mr. Marchand thereupon moved for leave to introduce Bill No. C-220, to make provision for appeals to an Immigration Appeal Board in respect of certain matters relating to immigration.

Motion agreed to and bill read the first time.

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The house resumed, from Tuesday, July 5, consideration in committee of the following resolution—Mr. Sharp—Mr. Rinfret in the chair:

That it is expedient to introduce a measure to provide for the decennial revision of the Bank Act and the extension of the charters of the existing chartered banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the act.

[*Translation*]

Mr. Chrétien: Mr. Chairman, after the speech made by the Minister of Finance (Mr. Sharp) last night outlining the decennial revision of the Bank Act, I am pleased to support the attitude of the government which is giving the public a thorough reform of our financial system.

However, before discussing that resolution in detail, allow me to make a few comments on the reactions we have had about it so far. It is interesting to note that in the house last night the various spokesmen for the opposition parties adopted rather surprising and unrelated stands.

The Leader of the Opposition blamed the government for disregarding the proposal made by Mr. Justice Porter who recommended in 1964 the complete and immediate removal of the ceiling. He seemed to misunderstand the attitude of the Minister of Finance who said that in the present economic circumstances it is not possible to remove the ceiling immediately but that when the monetary situation has improved in the country, we will be able to remove it. Moreover, if he had paid the slightest attention, he would have understood that the recommendation of the Porter Commission will eventually be implemented in our present system.

As far as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) is concerned, it is surprising to hear him say that he is not against the principle of removing the interest ceiling but that on the other hand, he is against the removal.

It is hard to understand that one can be in favour of a principle and against its application.

As far as the hon. member for Roberval (Mr. Gauthier) is concerned, he says that his business experience has led him to make numerous transactions with banks and that, although there is a ceiling on the interest rate, he has always paid more than 6 per cent, and he is asking the government to maintain what he himself considers useless, namely a ceiling rate of 6 per cent.

And, of course, the hon. member for Medicine Hat (Mr. Olson) agrees that more flexibility is needed in our system, that some loans at 6 per cent are not adequate and do not bring the banks enough, and I think that he shares the government's opinion on that matter.

I was pleased this morning to note that despite certain insinuations that we read in the newspapers, the president of the Royal Bank, Mr. McLaughlin, seemed very annoyed and dissatisfied with the present reforms. But, Mr. Chairman, we did not take action in the interest of banks, with all due deference to Mr. McLaughlin, but in the interest of the Canadian public.

This decennial revision will certainly be welcomed by the newspapers and the public as the most radical measure since the institution of the Bank of Canada about 30 years ago. It will likely increase the confidence of the public in our banking institutions and in any future decisions of the government concerning the monetary policy of our country.

Since the submission of the Porter report in February 1964, a great deal has been written and said on the reform of our financial system, on the evils paralysing the efficiency of that system and on the possible cure. To sum up what the public in general pointed out, it is the absence of an actual and aggressive competition between the various financial institutions.

It is easy to note that the Minister of Finance has decided to implement the necessary reforms for such a competition between

all levels of financial institutions in Canada, and I think he should be very warmly commended.

Analysing the minister's statement, we realize immediately that the present banking reform deals with the very structure of our institutions and extends to their methods of dealing with the public.

Contrary to what the newspapers and commentators led us to believe recently, the minister's plan goes much beyond a simple change in the ceiling of interest rates. It grapples also with the very structure of the board of directors of banks, the qualifications of directors, and requires the disclosure of their reserve, of all kinds. It increases their field of action by allowing them to make mortgage loans; it sets up insurance for deposits and, moreover, it prohibits agreements between banks to fix interest rates.

The first point I should like to discuss, Mr. Chairman, is that of the ceiling on interest rates which has given rise in the last few weeks to much public curiosity. The Minister of Finance has just announced in his speech that the government intends to remove the present ceiling on the rate of interest charged by banks, when economic and monetary conditions in Canada are such that the decision of the government will not lead to unduly high rates of interest on bank loans.

The 6 per cent ceiling was adopted some 40 years ago, when the money market was entirely different from what it is now.

• (3:30 p.m.)

Indeed, at that time the rate of interest on bank loans or government loans was 1, 2 or 3 per cent, while the ceiling was 6 per cent. That ceiling gave a great deal of flexibility and elasticity to the banks, as there was a differential of at least 3 per cent between the normal rate on the market and the ceiling provided for by the act. That statutory ceiling has not been changed in 40 years. What was a ceiling then, is almost a floor now. Obviously, it is now an obstacle to normal money transactions; it has fostered the development of certain institutions which, using this lack of freedom for the banks, take an unfair advantage of such borrowers as have little credit, and occasionally charge them usurious rates of interest.

Under the present system, Mr. Chairman, big borrowers definitely have an edge over small people who need money. As banks have become the cheapest source of capital supply for corporate and individual borrowers, since there is a 6 per cent ceiling on interest rates, there developed recently a practice which clearly discriminates against small borrowers.

Generally speaking, the small borrower who comes to a bank gets a loan at a rate higher than 6 per cent, since the banks have found a legal way to make personal loans at 9 and 10 per cent. This means that small borrowers, whom some people want to protect through a 6 per cent interest rate, enjoy no protection whatsoever in the present context.

It follows that the 6 per cent bank loan market is available to two particular types of borrowers, that is small businessmen and industrialists and big businessmen and industrialists.

As banks are limited to a 6 per cent ceiling, there is absolutely no leeway possible—

Mr. Grégoire: On a point of order, Mr. Chairman. I think the hon. member is now seriously misleading the house. A while ago, he said that banks lend money at 9 and 10 per cent and then he says that there is a 6 per cent ceiling. The hon. member would have to make up his mind between the two. Is it a 6 per cent ceiling, or do banks lend at 10 per cent?

Mr. Chrétien: Mr. Chairman, on the point of order raised by the hon. member—he should first allow me to finish my speech—I actually said the ceiling of interest is set at 6 per cent, but that banks have the right, nevertheless, to grant personal loans at a higher level than 6 per cent.

Mr. Grégoire: There is no ceiling.

Mr. Chrétien: The hon. member should know that there is a difference between a business loan, an industrial loan and a personal loan.

Mr. Grégoire: There is no ceiling, then.

Mr. Chrétien: Just listen, and you will understand. We are advocating a sound system rather than a money printing machine.

Mr. Chairman, as I was saying, banks are restricted to a 6 per cent ceiling and they are strictly prevented from speculating on the rate of interest when called upon to consider granting a loan to a particular person. Instead of diversifying their loans according to the risk involved and charge 6 per cent to some borrowers and 7 or 8 per cent to others, according to the risk, since they are not allowed any latitude at all, banks are forced to make loans at the best possible risks, at

the expense of small borrowers who always have less security to offer than big borrowers. This ceiling results in an imbalance, because it deprives the banks of full discretion to vary the rate of interest according to the risks involved.

Right now, the small manufacturers and businessmen who cannot do business with the banks are forced to deal with other financial institutions from which they borrow at considerably higher interest rates, sometimes up to 15 and 20 per cent.

The irony of it is that those financial institutions other than banks, lending money at rates much higher than the banks, are often supplied with capital by the banks—

Mr. Grégoire: They are supplied by the banks.

Mr. Chrétien: —at the rate of 6 per cent, and then they lend such capital at higher interest rates to small consumers who cannot at this time do business with the banks.

Mr. Gauthier: They belong to the banks.

Mr. Grégoire: Those institutions belong to the banks.

Mr. Gauthier: They have the same directors.

Mr. Chrétien: Obviously, it is hurting the hon. member for Lapointe (Mr. Grégoire) to hear us talking of bank reform—

Mr. Grégoire: It does not hurt me, it makes me laugh.

Mr. Guay: Read the speech of the member for Roberval (Mr. Gauthier) and you will have more to laugh about.

Mr. Chrétien: Consequently, Mr. Chairman, there appears, between the small borrower and the banks, a useless middleman who increases considerably the cost of money. If the present ceiling on the interest rate were inexistent, the banks could possibly be in a position to lend to the small businessman or the small manufacturer with less security at a rate of 7 or 8 per cent. The banks would then be able to cover the additional risk and these people would not have to turn to finance companies.

The removal of the ceiling on the rate of interest, when financial conditions allow, will result in greater competition on the money market and banks will be able to compete with other financial institutions with regard to all sorts of loans. This competition will then diminish the rate of interest.

The following is the best example of this fact. A few years ago, when only finance companies gave personal loans—for the banks had not found a legal way to do it—the rate of interest was much higher.

When banks began to deal with personal loans, competing with finance companies and other similar institutions, the rate of interest on personal loans fell to about 9, 10 and 11 per cent instead of the former 15, 16 and 17 per cent.

Thus we have seen, these last few years, the rate of interest on small loans become stabilized at around 10 per cent. Therefore, if the present reform allows banks to deal with all types of loans, including mortgage loans, this additional competition on the Canadian loan market will lower the rate of interest, for there will be greater competition to attract borrowers, and I think everyone will profit thereby.

You will perhaps allow me to give you an example—

[*English*]

Mr. Grafftey: Will the hon. member permit a question at this time?

Mr. Chrétien: After my speech, Mr. Chairman.

[*Translation*]

Mr. Grafftey: After your speech?

Mr. Chrétien: Yes. Yes, Mr. Chairman.

Mr. Grégoire: And what about Lacombe Act?

Mr. Chrétien: I will answer the hon. member for Lapointe that, personally, I am not a graduate of the Lacombe Act.

Mr. Grégoire: In financial law?

Mr. Chrétien: Mr. Chairman, let me call your attention to a case which struck me tremendously and shows very clearly the existing gap in our system.

Some large companies and municipal corporations misuse the system in this way: as bank interest rates for company loans to the corporations cannot exceed 6 per cent, some big borrowers request short-term bank loans at this rate under the usual pretences.

For instance, a company intended some time ago to go on the security market to finance an undertaking of $5 million. Those people went to a banker and explained their problem. They said: We will go on the security market in three months to borrow $5

million; since we urgently need funds, could you lend us immediately $5 million at 6 per cent for three months?

Of course, the bank which is an institution to finance large companies on a short-term and long-term basis agreed to lend them $5 million at 6 per cent. When the three-month period expired, the banker asked that company to reimburse the $5 million. The company which, three months before, has given the banker a letter saying that it intended to go on the market in the following weeks told him: Unfortunately, we are not in a position to pay you back, we are no longer interested in going on the market, because if we do we will not pay 6 per cent but 6½ per cent.

• (3:40 p.m.)

And so, instead of giving a temporary loan of $5 million for three months, the bank had to extend the term of the loan over a period of months and even years. Consequently, it did not have that $5 million to loan small borrowers. Moreover, there was no way for it to force the company to borrow on the market. Naturally, this unbalance was due to the fact that banks are not supposed to finance long term projects; they are intended to provide short term loans to those companies.

The net result is that the banks' important source of short term funds is exhausted for the benefit of large companies; the small borrower, the small merchant and the small industrialist must turn to the near-banks, to which the ceiling does not apply, to borrow money at interest rates of 12, 14 and 15 per cent instead of borrowing from banks for perhaps 7 or 8 per cent, depending on their ability to reimburse and their credit rate.

May I be permitted, on this score, to quote from an editorial published in the newspaper *Le Devoir* for Tuesday, June 28, 1966 over the signature of Mr. Claude Ryan:

If the banks are to play a dynamic role within our financial system, for what reason should they be bound by limits which, if they were strictly observed, would reduce them to marginal factors in the system. In fact, the current situation breaks down the borrowers into two classes: the safe borrowers (generally the large borrowers) who are the primary beneficiaries of the 6 per cent loan system and the others—the small businessmen, the small manufacturers, the thousands upon thousands of individuals—who are being blindly cast into the maws of the 10 per cent and over lenders. Paradoxically, those who favour higher interest rates are running the risk of being considered as big, bad wolves while, in fact, the puritanical maintenance of the prevailing dichotomic situation seems much more contrary to the real benefit of the public.

[Mr. Chrétien.]

I could also quote another editorial from a newspaper which is the mouthpiece of small businessmen, asking for the removal of this ceiling, which is unfavourable to the small businessmen.

[*English*]

We have said before in these columns that small business is often too big a risk at the rate of six per cent interest for the bank to touch him. We have often said that the ceiling should either be raised or removed altogether to make small business more attractive to the banks.

[*Translation*]

And this newspaper is the official mouthpiece of small businessmen in Ontario.

Consequently, Mr. Chairman, I think it is only fair to say it is of the utmost importance for us to take the necessary steps in order to rectify the situation as concerns our banking system, namely: to play an energetic and positive part in our economy and, to this end, our banks must, by all means, compete with one another, so as to secure the best rate and service possible for consumers. At present, there is no competition at all between banks, since they have no freedom at all, and with such a system, instead of providing loans under some kind of competition, they are using discretion that often promotes only the interests of the friends of the system and the people close to our major banking institutions.

On this point, I am happy to see that the Minister of Finance mentioned in his speech that he would take the necessary steps to prevent banks from agreeing among themselves to set a rate of interest to be paid on deposits and a rate of interest they would charge on the loans they make. The rate should be fixed by competition, and that is how we will see real competition between all our financial institutions. That will be greatly helped if this liberalization of the Canada Bank Act promotes the establishment of new banks in Canada.

I am also happy to see that the house passed yesterday the bill establishing the Bank of Western Canada. I am glad the minister mentioned in his speech yesterday that the government wishes to see many new banks established, so as to promote competition between these vital institutions in our system.

As the hon. member for Lapointe is familiar with the banking system, he may try to have a bank of his own.

The Deputy Chairman: I regret to interrupt the hon. member for St-Maurice-Laflèche but the time allotted to him has expired.

Some hon. Members: He may continue—

Mr. Grégoire: Mr. Chairman, may I put a question to the hon. member?

Mr. Chrétien: Just one more word, Mr. Chairman. I referred only to one point of this banking reform. There are many other measures which are important and which should be taken into serious consideration.

For instance, there are mortgage loans and consumer credit; in fact, the minister announced that there would be a federal-provincial conference to consider the subject of consumer credit in Canada. The minister also suggested that bank directors should not be directors of trust companies or "near-banks" in the future, that banks will not be able to hold more than 10 per cent of shares of any Canadian corporations.

I think, Mr. Chairman, that the present reform of the Bank Act is a reform in depth, a necessary reform which will renew our banking system; it will allow, between a great many institutions, a competition that will be of great benefit to our system and to all Canadians.

[*English*]

Mr. Grafftey: The hon. member who has just spoken very kindly said I could ask him a question at the end of his remarks. We are at the resolution stage but he went into quite a bit of detail. I plead with him and the minister to make public the details of how they intend to permit the interest rate to be relaxed. Otherwise the opposition, which is not going to see the bill since it is not going to be moved to the second reading stage, will not be able to debate the details of the measure. The government is aware of these details. Will the parliamentary secretary or the minister reveal these details at the resolution stage, even though this debate has been almost a second reading type of debate. This would enable the opposition to have details it does not have—

Some hon. Members: Ask the question.

Mr. Grafftey: All right. Would the government make known the details of how they intend to let the interest rate go up so the opposition can have the same advantage as government members.

Mr. Chrétien: That is not a question; it is a statement.

Mr. Sharp: May I be permitted to reply to the hon. member. No member of the house, other than the ministry, is privy to the contents of the bill so everyone is debating on the same basis. We are discussing now the advisability of introducing a bill. I went further in explaining the general principles of this bill than I would ordinarily have done. I do not think it would be proper for me at this stage to give the details of the actual contents of the bill itself. If I were to put these details on the record I would be required to give several paragraphs of explanation. I hope hon. gentlemen will accept my explanation.

Mr. Diefenbaker: Why the selective information? Why don't you give us the full story?

Mr. Monteith: Mr. Chairman, the minister has said that it would require several paragraphs to give the committee this information. I think it really should have been given. We do not know how the interest rate is going to be raised. We do not have that formula, and I believe it is unfair to ask us to debate the measure in the light of the existing situation. The first part of the resolution, Mr. Chairman, reads as follows:

> That it is expedient to introduce a measure to provide for the decennial revision of the Bank Act and the extension of the charters of the existing chartered banks till July 1, 1976,—

I wish to deal with this first part of the resolution for a moment. It is a very simple resolution thus far and quite understandable. The Bank Act must come up for revision every ten years and the charters of the banks must be renewed at this time. Actually this revision should have taken place in 1964. We distinctly remember the delay which occurred at that time. Eventually, I think on May 6, 1965, one version of the Bank Act revisions was presented to us.

Second reading was given to that particular version and we were supposed to have studied it in committee last autumn. This opportunity never came about because of the election being called. Subsequently, of course, we did extend the Bank Act for a period. I believe it runs out now on December 30, or November 30 of this year. I agree completely with the first part of this resolution. However, the second part of the resolution reads as follows:

> —and to provide further for certain changes in connection with the administration of the act.

• (3:50 p.m.)

This is where we have some difference of opinion, in relation to these certain changes in connection with the administration of the act. As we all know, I am sure, the banking system in Canada has given excellent service to the people of this country. I think Canadian citizens have a feeling of security which not all the citizens of other countries have. We have considered the banks to be a bulwark, and in this connection we must pay credit to the Inspector General of Banks, who for many years has had the policing job to do. I believe he has done it energetically and efficiently. It must be remembered that while the banks are in business to make money, and I have no quarrel whatever with that objective, I do feel, however, that they should be considered as a rather select group of corporations which have an obligation to serve the Canadian people. Our job as members of parliament is to see that Canadians are served to the best of their interests by the banks.

I do not think that the citizens of Canada, Mr. Chairman, are being so served by this government in its present amendments to the act. This government has not met the threat of inflation or the rising cost of living and is not doing anything to meet those situations now. I have in mind the interests of the small businessman, the farmer and the small borrower. These people are not going to receive any benefit from the proposed amendments to the Bank Act. I have heard and read that the tight money which we now have is probably going to get tighter. This cannot be allowed to happen. But this government, Mr. Chairman, is obviously accepting the situation and doing nothing about it.

The minister last evening outlined in general terms what he referred to as certain proposed amendments to the Bank Act. I cannot help but emphasize that they were certainly in very general terms. Of course, the one main item of the whole group of amendments that is of interest to all of the Canadian people is the interest rate amendment. The present ceiling on interest is 6 per cent, but in this respect we are really very little wiser than when the minister began his comments. The minister suggested that it should be tied to the average market yield on short-term government bonds. I am assuming that there will be some fixed percentage over and above the average yield but at the moment, of course, we do not know. We are told that we will find out.

[Mr. Monteith.]

The minister also suggested last evening that when this bill goes to the finance, trade and economic affairs committee for study it would be a good idea to examine this formula very closely to see whether it is the best alternative. I can assure him, Mr. Chairman, that that examination will be given.

However, let me repeat that we are still in the dark as to just what the interest rate is going to be and how it will operate. I suppose that a floating rate of this nature, as you might call it, might have some merit in the case of very credit-worthy risks, but I do not see how this can be of any assistance, as I said earlier, to the small businessman, the farmer or the small borrower. They are the ones who are going to suffer. They are the ones who will be forced to go to other money lenders and will have to pay much higher interest rates.

While there may be some connection between the rate on government bonds and the general requirements of the economy, there are other features affecting the price of government bonds, such as stock market prices, whichever stock happens to be the more attractive, the United States money market situation, deficit or surplus financing of the Canadian economy, balancing of international payments and so on. They may or may not be consistent with the needs of the economy and of business but, sir, all these factors are going to affect the interest rate for business borrowers. It is like trying to find the correct price of bananas by analysing the demand for and supply of fish eggs, or you can use any other comparison. It is going to be just about as difficult as that.

On the whole, as far as these amendments go I claim that the Porter Commission report might just as well have been forgotten. The commission might just as well have not met. The minister could have produced the amendments which he has put before us and has outlined in such a vague way without any report at all.

I should like to refer to the two main recommendations made in the Porter Commission report, and I think they go hand in hand. One was to the effect that the near banks should be brought under federal control. The other was the removal of the interest ceiling. I repeat, Mr. Chairman, that these two go together hand in hand.

If such a procedure had been adopted, then I think it would be fair to all concerned. As it is, we are not getting competition. The near banks are going to be left to operate on their

own. These institutions should be brought under federal control so that banks and what we call, for facility's sake, near banks, should all have to meet the same competitive situation. This is not so today. This piecemeal effort does not improve the situation at all.

I claim, Mr. Chairman, that these amendments are only a smokescreen to try to cover up and preserve some semblance of unity in the Liberal party. The government did not have the intestinal fortitude to face up to the situation. It has waffled for months. The legislation has been on and then off; the government just would not take a stand.

One of the suggestions outlined by the minister last night—we do not know the details of this either, of course—was that the banks are to be allowed to lend money on conventional mortgages. We do not know what formula is to be used, and I am assuming we will learn this when the bill is presented.

I agree in principle with this move and also with the suggestion of the minister that banks be allowed to borrow money on debentures. Otherwise, where in the world would the small businessman and the small borrower come into the picture if the banks were not allowed to borrow money on debentures or to borrow in some other way? Certainly if they are going to supply the mortgage market someone will suffer unless the banks are in a position to receive more deposits. I realize that these debentures will have a secondary position to deposits, and that is understandable. At the same time, Mr. Chairman, these funds have got to be available to the banks if the conventional borrowers with whom we are concerned are not to be penalized.

• (4:00 p.m.)

Another point mentioned by the minister was that the government is going to continue with the retroactive legislation in respect of Bill C-102. The legislation will be similar to last year. This is to penalize the Mercantile Bank.

I have no brief for the Mercantile Bank as such but I do suggest to the minister that he is inviting retaliation by bringing in such legislation. I also suggest that it is anything but a good principle to make legislation retroactive. I think the dangerous part of the particular item in the suggested amendments is that the legislation is going to be retroactive. The minister is asking for serious trouble and retaliation by bringing forward this measure.

The minister did not tell us how the cash reserves are to be reduced somewhat. The cash reserves on deposit now are 8 per cent. The minister said, I think, that they are going to be reduced to something less than 7 per cent.

Mr. Sharp: May I, for clarification, ask the hon. member if he did not look at the speech to which I referred in my remarks yesterday which I made when I introduced the Bank of Canada Act and in which I set out the basis on which the cash reserves would be fixed?

Mr. Monteith: Mr. Chairman, I point out that I am not quarreling with this move but we should know something about it. The reduction in the reserves from 8 per cent to something in the neighborhood of 7 per cent will allow the banks to earn money on 1 per cent, plus a fraction, of these reserves.

Mr. Diefenbaker: On which they do not get any interest.

Mr. Monteith: They get no interest on the 8 per cent. Frankly, I do not think it is quite fair to ask any business to have 8 per cent of its funds cached away, if you like, without that money earning interest. Perhaps those reserves should be put into treasury bills and thereby earn something. Treasury bills are as good as cash reserves. I am not quarreling with the fact that the banks will earn interest on the extra 1 per cent. But that fact should be kept in mind.

I simply repeat, Mr. Chairman, that we know nothing really at this stage of the proceedings and yet we are asked to support the resolution. I cannot support something we know nothing about. Last evening the hon. member for Kamloops and I both tried to find out what people will be asked to pay in interest rates. The hon. member for Brome-Missisquoi this afternoon tried his best to find out, but the minister would not tell us.

I am convinced, sir, that true and proper competition is not being provided by this resolution. The 6 per cent ceiling on all types of loans is not maintained now. We all know about pre-discounts which are given to evade the 6 per cent rate. I am not prepared to speak of the legality of this practice.

I recall that in the discussions on this subject when the banking and commerce committee sat in 1954 on the then revision of the Bank Act there were legal opinions one way and another. The situation as it stands

should be remedied. There are different opinions about the Bank Act, and I think the legality of the question I have raised should be straightened out.

I repeat, Mr. Chairman, if the government had followed the Porter Commission report in its entirety and particularly if the government had brought the near banks within the jurisdiction of the Bank Act, thus providing real competition and giving the small business person and the large business equal opportunities, my position would be different. As the situation is, sir, I cannot support the resolution.

Mr. Cashin: Mr. Chairman, there has been evidence in the speeches on the opposition side, both this afternoon and last evening, of some dissatisfaction with the statement that the minister made on the basis that it did not provide sufficient information for the opposition to deal with this matter. Notwithstanding that complaint, the opposition nevertheless has been able to make statements of far reaching consequence which would seem to contradict their earlier statements. I think it is consistent, however, with the procedure at this stage of debate that this matter should follow the course that has been followed with regard to resolutions. There is nothing inconsistent in relation to the practice of this chamber in debating the resolution stage of a bill. Therefore I do not think that the complaints stand on any solid foundation.

One of the responsibilities, it seems to me, of government and parliament in this matter is to look at the effectiveness of our existing financial policy in order to determine ways and means of strengthening that policy so that it may better serve the requirements of our economy. In this discussion we must be concerned about the adequacy of our financial system to meet the needs of our society in an efficient and creative way. We must have a properly functioning financial system which will serve the needs of the greatest possible number of people.

In attempting to achieve this laudable goal we ought to take into consideration the past record and effectiveness of our financial policies and financial system. We must have as far as possible a reasonable understanding of the changes which have taken place in our economy, and we must also consider wider problems which confront our economy so that we may be better able to understand the role that financial policies may be expected to play in the country's development.

[Mr. Monteith.]

If a financial system is not adequately fulfilling its functions, or is fulfilling them in an improper or imperfect way, the result will surely be an adverse effect on the economy. I would therefore suggest once again that providing as much flexibility and as much scope as possible to meet the demands for highly developed borrowing facilities which are part of any complex economy is something that is necessary.

One of the main requisites of a financial system in the present day and in the future Canada is a high degree of flexibility. One of the most frequent criticisms of the present system and the present policies has to do with the lack of flexibility and the desirable degree of competition to meet adequately the present needs of our economy.

This criticism comes from many quarters. We have heard it in the house before and in the debate so far. There are suggestions that our present system discriminates against certain classes of borrowers and savers and—this is of particular interest to me—against certain regions because it does not provide services to all. In some instances the services provided are of an inadequate nature. It seems that our criticism perhaps is aimed directly at the financial institutions, because these are the vehicles for transmitting financial policy.

• (4:10 p.m.)

The challenge before the government in introducing this legislation is to bring forward a measure which will have the effect of increasing competition and flexibility in our banking system. I was pleased, therefore, with the references made to this subject in the minister's speech. At this point in the debate it is reasonable to assume we are talking in terms of principles and not in detail. Opposition speakers have expressed an interest in detail but, as they well know, this is not in keeping with our procedure at this stage.

If this country is to develop its economic potential to the maximum it has to afford to all of its people the greatest possible opportunities to participate in our economic development and one of the essentials of such a plan for progress is a creative financial system, one which is not just passive but innovating and capable of meeting changed circumstances with new ideas and new approaches.

As I have indicated, my particular concern is the role of financial policy and of our financial institutions in those regions of Canada which have not yet achieved the

degree of development reached by some of our more fortunate areas. In many other fields the government, in fact, successive governments, have introduced policies aimed at developing these less-developed parts of Canada. We are all aware of the activities of the Atlantic Development Board, the Area Development Agency and similar agencies. But we shall only achieve the desired goals in this sphere if our financial system also plays its full part in the development of equal opportunities in all areas of Canada. At the present time our system lacks both the flexibility and the element of competition which are so badly needed and the absence of which has had a particularly adverse effect on those regions of Canada which are removed from the centre.

Since the thirties, when banks in the United States failed, we have continued to believe something which is in many ways a myth, namely, that the Canadian banking system is vastly superior to that of the United States. However, I suggest there are many features of the United States banking system which are attractive, particularly to those of us who do not come from the central regions of Canada. We have, in a sense, suffered because of the branch banking system, and any efforts which can be made to assist the growth of regional banks and to create more flexibility and competition in the system would surely be of benefit to us.

Naturally we hear protestations from bankers in this country that there is no such thing as discrimination, that all areas are treated alike. Undoubtedly this is a subject which will be discussed at considerable length when this bill goes before the committee. But while there may be evidence to suggest that in the province of Nova Scotia, for example, the amount of money lent is related to the amount collected by the banks in that province in the form of savings, I nevertheless feel there is a rigidity which has a particularly adverse effect on regions far removed from the centre.

There are other details which were mentioned by the minister and which will have the effect of helping to create an environment for more flexibility and competition. Hon. members opposite have directed their remarks to the question of deposit insurance. I believe this is a good measure. It will certainly make the establishment of new banks easier. I also believe it will strengthen near-banks and make them more creditable institutions.

One result of this legislation will be a provision under which banks will find it necessary to declare their inner reserves. This is important because there is always a certain amount of mythology surrounding banks and the banking system, and close to 100 per cent of it is pure mythology. Many of the attitudes adopted by bankers and others in the system who tend to be over-cautious are interwoven with the mythology which surrounds our banking institutions. I welcome this move to have inner reserves made public and to provide for a system of deposit insurance.

There has been some discussion about the recommendations of the Porter Commission concerning near-banks. The previous speaker, the hon. member for Perth, if I remember correctly, was critical of the Minister of Finance for not dealing with this subject. However, no less an authority than the distinguished member for Nanaimo-Cowichan-The Islands spoke of the constitutional difficulties in this field. Both hon. members were unsatisfied, but I believe the intention of the minister to call a federal-provincial conference to discuss the broad theme of consumer credit represents a most important step toward resolving the whole question of the relationship between near-banks and banks.

Mr. Fulton: That conference has nothing to do with near-banks.

Mr. Cashin: The conference will have some relationship to those institutions which are dealing in credit.

Mr. Sharp: That is right—including the banks.

Mr. Cashin: I suggest there is a relationship and that this conference will be a meaningful one. More important still, I believe the government ought at the earliest opportunity to give detailed study to ways and means of surmounting the constitutional difficulties which, according to some hon. members, prevent our bringing the near-banks under the control of the Bank Act. The relationship which I see between this and the forthcoming federal-provincial conference is that we shall be discussing with the provinces the whole question of consumer credit. I do not believe any province would have a strong case for wishing to prevent provincial institutions being subjected to uniform regulation and control, since this control would be of benefit to borrowers. It would certainly be of particular benefit to small borrowers, and I doubt that

any provincial government would wish openly to oppose a course of action beneficial to this group.

The approach taken by the minister in introducing this legislation suggests he is well aware of the need for flexibility and competition, that he is aware of the problem presented by the near-banks, and that these important questions, which are matters of concern to members on all sides, will receive greater attention from the present Minister of Finance than they have had for some time.

There has to be a philosophy behind our approach to financial policy. Our philosophy, it would seem, is to afford as far as possible an equal break for all who are dealing with the system, whether it is a small borrower or a particular region of the country which now suffers certain disadvantages. Notwithstanding the advantages of confederation there are still certain disadvantages suffered by regions removed from the centre. I believe it is within the ambit of this philosophy that the present administration is approaching this measure for the revision of the Bank Act.

• (4:20 p.m.)

An important factor is the attitude of those in financial institutions. I have never been particularly cognizant of any progressive or enlightened attitude on the part of many of them. They seem to have a standard routine of rejecting anything that suggests government control or government interference. In many ways our financial institutions are the last preserve of the old laissez-faire attitude in our economy.

I am sure many hon. members would agree that notwithstanding the changes in economic attitudes during the last 30 years one thing has remained consistent, that no matter what attempts have been made to increase opportunities in Canada and no matter what success we have had in giving more people more wealth, those at the top of the system always seem to do well. There should be a greater awareness on the part of financial institutions of what we are trying to do in the economic development of Canada. They ought not to be restricted by prejudice or preconceived notions regarding the role of government. Such a change of attitude is very necessary because these institutions are not very popular. They do not really belong to the community.

This is particularly correct if, as those of us on the outer fringes have to do, one deals with branches of the various banks. They are impersonal and because of their operation they are to a large degree divorced from the needs of the people. Notwithstanding the merits of the branch banking system this factor is of considerable importance, but it is one that can be rectified by a greater awareness on the part of the financial institutions of the role that they must play in our economic development.

For example, from time to time in the field of monetary policy we are confronted with philosophical decisions regarding the flow of credit. Such a philosophical decision is the responsibility of the Bank of Canada, but once it is made on the basis of what is good for Canada as a whole its application is left up to the individuals in the various financial institutions. This is a great weakness because in the first instance it is generally due to inflationary pressures that a course of action is taken. But I suggest these inflationary pressures are not universal and therefore in my view our monetary policy ought to reflect more the regional differences that exist in this country. If this is not being done by regulation, then it seems to me those within the system have a responsibility to bear these factors in mind in their own administration.

Individuals in the system with whom I have discussed the matter have told me that at no time would they discriminate against any group or individual. My reply was that this is exactly the point, that there are groups who, because of lack of opportunity or lack of development, need special concern and there are other special factors to be taken into consideration, so that some kind of philosophy in this regard should be more in evidence in our financial institutions.

It may be said that this is not good economics, the only criterion being the return in a monetary sense, but I challenge that because I do not believe it is a sophisticated view in Canada today in that other value judgments are made. This was the basis of the laissez-faire attitude, that what was best in terms of dollars was best in terms of people, but it is many years since we discovered that this is not true. The relationship of our financial policies to our development policies should be emphasized more.

By expressing his recognition of the need for flexibility in competition the minister has gone farther than any of his predecessors in meeting this problem and in suggesting what is going to be in the bill and, like other hon. members, I look forward to seeing the bill so that it may receive the kind of in depth study that is not and should not be possible at this stage of the proceedings.

Before resuming my seat I wish to mention one other matter which may not be completely relevant, namely, the relationship of the Industrial Development Bank to the Bank of Canada. The minister ought to give serious consideration to that relationship and to the greater use that may be made of the Industrial Development Bank in assisting the development of various regions. I know there will be objections raised to this by the financial institutions themselves, but perhaps some of them might pick up their socks and fill some of the void.

I would like again to congratulate the minister for introducing this measure which he has described as a blueprint for competition. Lack of competition has been one of the big weaknesses in our system. The hon. member for Nanaimo-Cowichan-The Islands has pointed out some of the difficulties to be overcome in introducing competition within the system, but I think the minister has outlined the most positive approach we have ever had to this vital problem.

Mr. Fulton: Mr. Chairman, the discussion of a resolution preceding extensive revision of the Bank Act should involve some consideration of the general principles governing our approach to banking legislation in Canada. I regret that the minister did not devote somewhat more attention in his speech to the question of the general principles which he feels should be embodied in the revision, if only for the purpose that when we get the bill we can test the details of the legislation against the principles which it might be agreed should be served by that legislation and reflected in it.

Not having the advantage of any statement in detail by the government as to its views in this regard, nevertheless I feel it is important a statement should be made, and with some trepidation I would like to outline what I feel are some of the general principles which we should now wish to see incorporated in a revision of the Bank Act, looking forward to the future and to the enabling of the financial and monetary system of this country to meet the problems of today and of years to come.

I would say that the first general principle is the maintenance and, when necessary, the extension of effective jurisdiction over the banking system, something which is essential to any government which claims effective control of monetary policy or, indeed, monetary and fiscal policy. If we do not have that effective control of the banking system, then to say we intend to exercise control over monetary policy is a mere pretence.

A second and corollary principle is that a strong and effective banking system—and the word "effective" here includes the qualities of flexibility and competitiveness—is the indispensable right arm of government in the exercise of that effective control over the monetary system.

Third, parliament and government must therefore be concerned to maintain the integrity of the banking system, and by this I mean not just the strength of existing banks but the integrity and viability of the entire system, as well as the integrity of their control over that system.

Fourth, parliament and government must be concerned not only to maintain the soundness and effectiveness of the institutions within the banking system as presently officially constituted, but must assert and extend control over any other institutions or trends which, if left unchecked, would erode the strength of and the control over that system.

• (4:30 p.m.)

Fifth, in approaching our responsibilities in these connections we must remember that our concern is not just for the strength and well-being of the system and its institutions in isolation but also for the establishment and extension of a system and institutions which will serve the needs of the economy as a whole and the interests of depositors and borrowers individually. We must therefore always be concerned, in legislation and regulation of the institutions, to reconcile the two cardinal requirements of safety or strength on the one hand, and effectiveness or competition on the other.

I must say as a personal opinion, from looking at the present situation in the Canadian banking system and the institutions which officially constitute it at the moment, that in our system and in the legislation for the future we could safely place considerably more emphasis on flexibility and competitiveness both in the interest of the financial community and of the public. I regret that in my view the outline of the legislation given by the minister does not go far enough in that direction.

The legislation which we are to examine, and which will be based on this resolution, in my view should reflect at least those principles—and I have only summarized some which are applicable. I do not think anyone would

disagree that the Porter Commission's approach certainly reflected those principles. I would have hoped that the legislation would reflect more faithfully not only those principles but also the approach and recommendations of the Porter Commission. In my view it falls very considerably short of that desired objective and falls short especially in connection with control in the interest of small businesses and small borrowers.

When I use the word "small" here I do not mean in matters of loans of, say, $1,000, because in terms of the size of Canadian business today I think we have to realize that even $100,000 in relation to what is going on in the financial institutions of Canada is relatively, and I am speaking relatively only, a small business or small borrower. Although $100,000 dollars seems a great deal of money to me, yet in terms of the size and sophistication of the Canadian financial system I think anything up to $100,000 probably should be classified in the field of the smaller business and smaller borrower.

As I said, I regret that the legislation does not reflect the recommendations and the approach of the Porter Commission, anything like as completely as I would like to see it do. In considering the extent to which we would like to see the recommendations of the Porter Commission followed it is helpful to examine some of the authoritative statements which have been made about that commission and its work. I should like to refer the committee to an article that appeared in *The Canadian Banker* in the summer of 1964, by Professor Slater, a professor of economics at Queen's University. Not all of what he said was uniformly flattering. However, at pages 8 and 9 he gives his assessment of the work of the commission as a whole. I think these passages are of very great significance. He said:

> The independence, honesty and frankness of the report are particularly noteworthy. This commission has struggled hard to avoid being in anybody's pocket.

In other words, the recommendations made are not just in the interests of the banks as such but are in the interests of the economy as a whole. He went on:

> Each set of ideas coming before the commission has been examined carefully, confronted with the tests of logic and experience and put into relationship with other ideas and evidence.

Again, he said:

> For the most part the report is competent and judicious. The analysis in some sections is markedly superior to that in the comparable British and American documents. Nearly every issue of banking and financial policy is examined; the pros and cons are given at least a quick and rough weighing, and at most a careful and balanced evaluation. In my judgment the report will be immediately helpful in the review of Canadian banking and financial legislation, and in the formulation and exercise of financial and related general economic policy.

He said further:

> In my view, one of the most attractive features of the report is its neutrality and cleanness with respect to the social and political climate. The commissioners are firm that economic affairs are subsidiary to political and social choices. The effect of many of their recommendations is to facilitate the responsible exercise of government power.

Finally:

> In a general appreciation of the report, the comprehensiveness of the work also deserves comment. The commission has taken on nearly every major issue of financial performance or policy which has concerned people during the last two decades. A special effort has been made to use effectively the best of the modern theoretical and empirical studies of money and finance.

Mr. Chairman, that being an impartial assessment of the merits of the Porter Commission's studies and recommendations, it is interesting to turn to the brief statement of objectives which the commission itself sought to achieve in the recommendations it brought down. These are the broad economic objectives which Canada should attain and which the commission felt would be facilitated by its recommendations. They are stated as follows in the report at page 398:

> (a) Rising productivity;
> (b) A high and stable level of employment;
> (c) Stable prices;
> (d) A sound external financial position.

Surely, Mr. Chairman, it is difficult to conceive of a better statement of financial and economic objectives for Canada. Therefore it is difficult to avoid the conclusion that, to the extent that the recommendations of the Porter commission would bring about these objectives, it is regrettable in the extreme that those recommendations are not followed. I have said that I think the outline of the legislation given by the minister indicates several important areas in which they are not followed. I should like to refer to them briefly at this stage.

The first omission is that the Porter commission recommended that near-banks and similar institutions should come under the same umbrella by way of banking legislation as the present banking institutions themselves so that they would all be made competitive with a view to avoiding, as they clearly point out, the situation in which certain borrowers are

compelled to go where they must pay 14 per cent, 16 per cent, 18 per cent and up to 24 per cent on their money with disastrous effect. The only result of such excessive rates is inflation in respect of the cost of goods and services that are produced and purchased by Canadians. The Porter Commission wanted all these institutions made competitive under the one legislative umbrella.

In the legislation outlined by the minister the only approach in this regard is to introduce the device of deposit insurance. I think there will be general agreement that deposit insurance is a good and desirable development so far as it goes, but in respect of this particular problem may I suggest it is of dubious value so far as dealing with the whole area is concerned because there are so many gaps and so many parts of the problem which will not be tackled effectively by the device of deposit insurance.

Mr. Sharp: Mr. Chairman, may I ask the hon. member a question?

Mr. Fulton: Perhaps at the end of my remarks, if the minister would not mind.

Mr. Sharp: Mr. Chairman, I am most interested in the hon. member's speech and this is really to help the hon. gentleman in his argument.

Mr. Fulton: I am always susceptible to flattery, Mr. Chairman, but this may be at the expense of some of my time.

Mr. Sharp: The hon. gentleman is very learned in the law and I am not. Would he not agree that if there were doubts about the jurisdiction with regard to these institutions it would be better at this time at least to proceed along lines which do not raise jurisdictional questions?

• (4:40 p.m.)

I quite agree with the hon. member. If we had had a clear indication that we could apply our banking laws to these institutions, we would not have hesitated; but we hesitated for reasons that I think will be appreciated by the hon. member.

Mr. Fulton: I am not denying that there are difficulties, Mr. Chairman. I am pointing out, however, that the device of deposit insurance does not meet the whole problem. With respect to that matter and the question just asked by the minister I would say that in so far as he is going to introduce deposit insurance on the basis he has outlined, he will weaken the effectiveness of it by saying, as he did, that it will apply to companies provincially incorporated only with the consent of the provincial government concerned. I do not think it is necessary for the provincial governments to be consulted. If you simply say: "Here is a system of deposit insurance, if you wish to take advantage of it," and if provincially incorporated companies do take advantage of it, it does not seem to me that there is any infraction of provincial jurisdiction in their so doing of their own accord. I think the minister is making unnecessary problems for himself if he makes this provision subject to provincial consent.

But the minister does say that he is going to consult the provincial governments in this and other fields. Why does he not instead consult them about bringing all these types of institutions within a unified inspection and control system under the federal umbrella? There is no indication that he is going to discuss this matter. That is my main answer to the question the minister asked me. There are difficulties, but why not face them and try to solve them?

Mr. Sharp: Mr. Chairman, may I give an answer to the question now for the sake of continuity in the argument? The indication we have is that our jurisdiction would be disputed.

Mr. Fulton: I am not one to minimize the constitutional problems and the difficulties that sometimes confront us in relations between governments. But I think this matter should be discussed with the provinces on a co-operative basis, and without denying the right of the provinces to incorporate these companies and to lay down regulations which must be complied with within the province, it could be pointed out that because many of these institutions do business outside the province a degree of co-operation within the ambit of federal legislation is desirable and is in the interests of the protection of depositors, borrowers and the economy generally. I think it would be difficult, if proprly approached, for responsible provincial governments to refuse at least to discuss the problem and approach it along these lines. Such a solution would be in keeping with the Porter Commission recommendations.

The importance of this matter can be understood by recalling the appalling situation brought about by the collapse of Atlantic

Acceptance Corporation just last year, a collapse of which we are still feeling the effects with respect to the availability of credit in th Canadian economy. I suggest to you, Mr. Chairman, to the minister and the committee, that it is doubtful whether the Canadian financial system could stand another such collapse. Certainly confidence in the system would be totally destroyed in so far as overseas money is concerned, investors from outside Canada, and I doubt whether even the system within Canada could stand another such collapse.

Therefore any approach along the lines recommended by the Porter Commission to place these and related types of institutions under the umbrella of the federal banking laws would be most desirable, and it is regrettable that the minister does not indicate a greater determination in pursuing such a solution to this part of the problem.

Next, the Porter Commission recommended that lending companies and lending charges —here I am thinking of the small loan companies—be also regulated in the same way and placed under the banking legislation. I refer, Mr. Chairman, to the recommendation found at page 382 of the commission report, which reads:

> At present the small loan companies and licensed moneylenders are regulated by the Superintendent of Insurance under the Small Loans Act, which sets limits on the charges they may levy for cash loans. As noted in the previous chapter, we believe that all cash lenders—including the banking institutions—should be subject to uniform regulation, and we think it appropriate that supervision of the amended legislation be transferred to the Inspector General of Banks.

I regret that this step does not appear to be forecast as one of the features of the legislation to be introduced.

Third, Mr. Chairman, I suggest that the legislation, in the outline given by the minister, repeats the damaging and dangerous position taken by his predecessor; that is to say, there will be a feature in the legislation involving the punishment of a certain bank by way of retroactive legislation, a bank incorporated under laws as they existed at one time and placed in an invidious and very inferior position as a result of a change in the laws introduced after it had properly applied for and received its incorporation. It is, further more, a situation brought about by means of a device which if resorted to elsewhere would very seriously and adversely affect the branches and agencies of Canadian banks operating outside Canada.

[Mr. Fulton.]

In addition to these objections to the provisions of the legislation I wish to raise certain other considerations in connection with the legislation about which I feel very strongly. I am thinking of the whole course followed with respect to this legislation, the delays, uncertainties and the consequent adverse effect these have had upon the plans and operations of the Canadian financial community. After all, the Porter Commission report was brought down in 1964. The decennial Bank Act revision was due in 1964. The introduction of the legislation has been held up by quarrels, delays and uncertainty within the Liberal cabinet ever since. The legislation is now two years overdue and, as is well known without my rehearsing the detail, plans have recently had to be revised substantially as a result of further very serious disagreements within the ranks of the government.

The Chairman: Order. I must interrupt the hon. member to advise him that his time has expired.

Mr. Fulton: Mr. Chairman, it will take only a very short time to complete my remarks.

The Chairman: Does the committee give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Fulton: Thank you, Mr. Chairman. What I am concerned about in this connection is that we are now, it seems to me, in a situation where the timetable indicates that we may well have a summer recess, and we are only going to have first reading of the bill before that recess. We will not be able to have the debate on second reading until we come back, and we do not know when we are coming back nor does the financial community. My experience and that of others is that the debate on second reading and the study in committee of this legislation will occupy two to three months, and one assumes, on the basis of past experience again, that there will be a prorogation of this session toward the end of the year. Where does that leave the minister, the legislation, the banking system and the financial institutions of Canada? Will we have to start all over again in another session of parliament? I only point out these things to emphasize the serious position in which the delay and inability of the government to get on with this legislation have placed our economy.

The final point I want to make is with respect to the matter of the central feature of the Porter Commission's recommendations and one of the essential features of the bill, namely, the question of the interest ceiling. What are we told? We were told by the minister last night that at some time in the future the interest ceiling on bank loans will be lifted but that in the meantime a formula will be provided for a flexible interest ceiling related to the yield of short-term government bonds. This leaves us with tremendously important questions as to the principle of the legislation, questions to which we were denied answers last night and still are denied them. First, with regard to when the ceiling would be lifted the minister slid over this question in his speech. He said, as reported at page 7236 of *Hansard*:

> Naturally, no one can say just when general interest rates will decline to the point that will release the ceiling on bank interest rates. I would hope it would come sooner rather than later, so that the proper development and evolution of our financial system as a whole can proceed on the basis of effective competition.

• (4:50 p.m.)

But we were given no indication as to when it will come. The question remains: will the point of time at which the changeable formula and the ceiling are removed, be determined or fixed by the legislation or by some device embodied in the legislation or will it be fixed at the whim of the executive? This is a tremendously important matter of principle, that the control of banking legislation reside in parliament and that fundamental changes in the banking legislation not be made without reference to parliament. I submit that most certainly the question of a change in the method of fixing the interest ceiling, or indeed the question of the removal of the interest ceiling—the movement from one stage to another—is a most important and fundamental matter which should not be decided without reference to parliament. And yet we are not told how this is dealt with in the legislation. This is the kind of information which we sought last night and which unfortunately we have been denied up to this point.

And so I say, together with my colleague, the hon. member for Perth, that we are not prepared to support this resolution because of the serious omissions from the legislation as outlined by the minister, and because of the objections to the way in which it has been introduced and the lack of information on it. While maintaining a flexibility of decision with respect to the legislation when we see it, we are not prepared to support at present a resolution which seems to us to beg many of the fundamental questions which should be faced and dealt with in the revision of the Bank Act.

When the legislation itself comes in, we will measure it against the principles I have outlined and the recommendations of the Porter report, and to the extent it conforms to them we will support it; to the extent it does not conform to them, we will oppose it.

Mr. Basford: Mr. Chairman, in discussing the resolution calling for the decennial revision of the Bank Act may I say that I listened last night with great interest, together with other hon. members, to the speech of the right hon. Leader of the Opposition. I called it a speech but possibly it could more properly be called an entertainment because it most certainly was an entertainment. I have come to the conclusion since coming to this house that if we had advance notice of the time when the right hon. gentleman was going to speak we could sell tickets to the gallery and probably pay off the mortgage on this building with the process. I suspect he walked into the house last night with two speeches prepared, one prepared perhaps by the hon. member for Qu'Appelle and the other by his good friend, Senator McCutcheon.

An hon. Member: Who prepared yours?

Mr. Basford: No one prepared mine.

Mr. Churchill: That is obvious.

Mr. Basford: After listening to the minister give a Liberal speech on the revision of the Bank Act calling for greater competitiveness and flexibility, the right hon. gentleman gave Senator's McCutcheon's speech.

He also had great fun with a Toronto *Star* story alleging a great fight within the cabinet. I can understand the right hon. gentleman being intrigued with such alleged stories. In view of the fact he himself is such an expert on cabinet resignations I can understand that he would be intrigued with the possibility of resignations from another government.

He also had great fun with certain press statements referring to a discussion within the Liberal party about what the revision of the Bank Act should contain. It is apparent that the right hon. gentleman and hon. members opposite are of the opinion that what is contained in the press about them is invariably false but what is contained in the press

about us is invariably correct and should be taken as gospel. I should think hon. members opposite would have learned by now that they should not believe everything they read in the press.

It does not disturb me, Mr. Chairman, that there has been discussion within the Liberal party about the revision of the Bank Act and I am proud to belong to a party which allows such discussions. After having had a full discussion on the revision of the Bank Act we were able to come before the house and the country with a policy advocating greater progress, competitiveness and flexibility in our banking system.

Mr. Aiken: We have not seen it yet.

Mr. Basford: It seems to disturb hon. gentlemen opposite that a party should go through this process of democratic discussion and debate within its own ranks.

Mr. McCleave: May I ask the hon. gentleman a question?

Mr. Basford: Not now, not before the end of my time limit.

We also listened to the statement of the right hon. gentleman at the end of his speech that he was not going to be a pawn coming to the rescue of the Liberal party and its unity. I am not aware of any disunity, but if we did have any disunity the right hon. gentleman, who is such an expert on it, is not one to whom I would go and ask for help.

I also listened last night with great interest to my friend from British Columbia, the hon. member for Nanaimo-Cowichan-The Islands. I looked forward to his speech with interest and respect because he is a member with great knowledge on this subject and one of the few members who has been present at the previous revision of the Bank Act. I say to him with respect that I was disappointed with his submission last night. In spite of his great knowledge and experience in the field of banking he was only able to make very vague references to a regulatory body and to greater sophistication in our approach to banking, all of which was rather meaningless to me.

I was also disappointed with his speech for another reason. In the past my friend from British Columbia has thundered about my province calling for nationalization of the banking system, and yet last night we heard nothing from him about nationalization. We only heard a whisper about regulatory bodies and sophistication. I hope this is not due to the advancing years of the hon. member taking a toll on his enthusiasm for nationalization.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Is the hon. member's hearing failing? Is he suffering from that disability?

Mr. Basford: I listened to the critical remarks made by the hon. member relative to the Porter Commission. While hon. members from the Progressive Conservative party have fully relied on the Porter Commission for their speeches, I for one am a little tired of recommendations from royal commissions containing solutions to this country's problems without any reference to the constitution which governs our country.

Mr. Churchill: May I call it five o'clock, Mr. Chairman?

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

Some hon. Members: Agreed.

Progress reported.

Mr. McIlraith: Mr. Speaker, before you call private members' business, I wonder whether the house would consider trying to complete consideration of the Bank Act resolution today? I believe there is one hour and nine minutes left in which to complete debate on the resolution.

Mr. Churchill: I understand the house leader's desire to move ahead with these matters but in view of the fact there is no settled arrangement with regard to the termination of the session this week, I think we should carry on with the ordinary business as outlined on the order paper.

• (5:00 p.m.)

Mr. McIlraith: It is quite accurate to say there is no settled arrangement for the termination of business, but in the event we were able to reach such a situation tomorrow it would be of help if this resolution were completed today. I am in the hands of the house.

Mr. Grégoire: I should like to point out to the Minister of Public Works that the debate on the resolution has not been completed yet because members of his own party have been speaking. There have been four speakers from the government side and we have had only one, so we are not the ones who are

blocking the resolution. If the Liberal members would keep quiet for a while, perhaps we would have an opportunity of completing the debate on the resolution. Inasmuch as they have been talking and talking it has not been completed.

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, notices of motions and public bills.

CANADA PENSION PLAN

SUGGESTED AMENDMENTS IN PRINCIPLE

Hon. J. W. Monteith (Perth) moved:

That, in the opinion of this house, the government should give immediate consideration to amending the Canada Pension Plan in such a way as to insure that it and complementary pensions and retirement allowance legislation in Canada are based upon the following principles:

(a) the immediate increase of the old age pension to $100.00 per month to all present recipients, and the integration and payment of such pensions out of the pension fund as amended;

(b) the establishment of a plan to provide a national minimum retirement income, participation in such a plan to be available but not compulsory to all;

(c) that a national retirement pensions plan should not be compulsorily superimposed on existing pension and retirement plans, but should be supplementary to them, on the basis of filling in gaps in coverage of existing retirement and superannuation plans so that all are covered up to the level established under sub-paragraph (b), participation being, however, elective to those who are already covered to or beyond that level;

(d) that true portability of pensions as between industries and areas, which is not affected by the present plan, be the continuing aim of pensions legislation and negotiation;

(e) that certain specific and foolish anomalies, such as those whereby more than one employer may be compelled to make a full annual contribution in respect of the same employee, with no right of recovery from the fund, and whereby some housewives will be compelled to make deduction from the wages of domestic help while others will not, although the basic wage rate is the same, be eliminated

He said: I should like, Mr. Speaker, to mention briefly the fact this notice of motion has been on the order paper since January 20. We have all had ample time to consider it. As a matter of fact, this is the fourth opportunity, I believe, that the house has had to consider this subject. There are important clauses in this notice of motion, but I would draw your attention to clause (a):

That, in the opinion of this house, the government should give immediate consideration to amending the Canada Pension Plan in such a way as to insure that it and complementary pensions and retirement allowances legislation in Canada are based upon the following principles:

(a) the immediate increase of the old age pension to $100 per month to all present recipients, and the integration and payment of such pensions out of the pension fund as amended;

I do not believe I need to say anything else. We realize the need for this payment to our elderly citizens. As I say, we have had the opportunity of considering the matter this session and I know hon. members will want to have an opportunity to voice their opinions in favour of the notice of motion.

Mr. Deputy Speaker: The parliamentary secretary to the Minister of National Health and Welfare.

Mr. Grégoire: Mr. Speaker, I rise on a point of order. A few minutes ago the Minister of Public Works proposed that we continue debating the Bank Act resolution. I would be ready to accept a suggestion that we take a vote immediately on this notice of motion, after which we could go on with the Bank Act resolution and complete it tonight. We are ready to agree to sitting a little later so we will finish the resolution on the Bank Act.

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

Some hon. Members: No.

Mr. Deputy Speaker: The parliamentary secretary to the Minister of National Health and Welfare.

Some hon. Members: Question, question.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): I listened with interest, Mr. Speaker, to the opening remarks of the hon. member. He was very generous in giving up a portion of his time so that other members might have an opportunity to speak, and I thank him for his kind consideration.

Mr. Monteith: I was only assisting an early vote.

Mrs. Rideout: The hon. member has a quite lengthy notice of motion and to deal with it fully in the proper perspective would take longer than the time we have at our disposal today. I should like to be as generous as the hon. member and give others a chance to speak. I should like for a few moments to speak about clause (a) in the notice of motion which refers to an immediate increase in the old age pension to $100 per month to all

present recipients and the integration and payment of such pensions out of the pension fund as amended. I am sure all hon. members are aware of the fact the government has given consideration to various proposals and indeed has been giving these matters consideration for some time.

With regard to the resolution before us, I may say a decision has already been taken by this government to lower the age of eligibility for applicants for old age security to 65. This decision was contained in Part IV of the Canada Pension Plan which was passed by both houses several years ago. Commencing January, people aged 68 or over can start drawing this pension and by the end of 1969 everyone reaching 65 who meets the residence requirements can claim his or her old age pension.

Under the proposal in this notice of motion the old age security outlays for the calendar year 1966 would be increased to $862 million. If the proposed increases were retroactive to January of this year and were paid immediately to all persons aged 65 or over, by 1970 the additional cost would be $527 million a year. In the first five years the additional cost would be $3.5 billion.

It is interesting to note that the resolution contains no mention of the way in which these large additional costs should be financed.

Mr. McCleave: Mr. Speaker, a point of order—

Mrs. Rideout: This is in contrast to the resolution of the Conservative party a year ago in which they advocated—

Mr. McCleave: I rise on a point of order, Mr. Speaker. The hon. lady has just mentioned the exact point I was going to raise. The resolution does not deal with the things with which she is dealing and the resolution is what she is supposed to be debating. The hon. member is talking about old age security and the resolution deals with an amendment to the Canada Pension Plan.

• (5:10 p.m.)

Mrs. Rideout: I am looking at the notice of motion, Mr. Speaker, and I believe that it is in order for me to speak about the old age pension increases mentioned therein. I am leading up to my remarks about the Canada Pension Plan. I cannot see that I am not staying within the confines of the notice of motion. If I may continue, Mr. Speaker, it is interesting that the resolution contains no mention of the way in which these large, additional costs should be financed.

[Mrs. Rideout.]

Mr. Mandziuk: From the money in the fund.

Mrs. Rideout: I should like to continue my remarks if you do not mind. This is in contrast to the proposal of the Conservative party a year ago in which they advocated that a similar increase in the old age security pension should be financed out of the Canada Pension Plan. That proposal was, of course, unacceptable because it would have used contributions collected in nine provinces to pay additional benefits to persons residing in all ten provinces.

I wonder whether the hon. gentleman who proposed this resolution would recommend that his proposal be financed through an increase in the earmarked tax on personal incomes, the earmarked sales tax or the earmarked corporation income tax, some combination of these, or through other tax increases? Though there is some surplus in the old age security fund at the moment, the great magnitude of the additional outlays required would necessitate additional tax revenues at once.

The Canada Pension Plan is a long-range program. It will be several years before a substantial proportion of the aged population will receive benefit from it although it will only be ten years before full retirement pensions are available. One of the objectives of the Canada Assistance Plan is to meet the needs of those people now retired who will draw no Canada Pension Plan benefits and those who will retire in the next ten years and will be unable to build up full retirement pensions during the transitional period.

The federal government now shares through unemployment assistance any supplementary payments made by the provinces to recipients of old age security, old age assistance, blind and disabled persons' allowances. The Canada Assistance Plan will continue to make this federal assistance available. In so far as the federal government is concerned, it will under the Canada Assistance Plan share without any upper limit the cost of supplementation and the provision of medical care and welfare services to those in need. The Canada Assistance Plan will provide federal assistance to the provinces to meet fully the financial and service requirements of those who are in need. The extent to which this objective is fulfilled for people in each province will depend upon each provincial government carrying out the responsibilities which have been allocated it under our constitution.

The federal government's sharing of medicare costs, mothers' allowances and child welfare costs under the Canada Assistance Plan will relieve provinces of existing expenditures. The lowering of the age under old age security is also relieving the provinces of expenditures under old age assistance. The federal government hopes that the provinces will use these funds to improve supplementary payments for old age security recipients as well as other assistance recipients.

An aged person who needs $100 a month to cover his basic monthly needs and receives only the $75 old age security pension will be able to get an additional $25 from the province under the Canada Assistance Plan. If he needs $140 and has only $75, he will be able to get the additional $65 under the Canada Assistance Plan. If the old age security pension were raised to $100 a month—

Mr. Knowles: Would the hon. lady permit a question? Could she tell us how much money out of the $85 million allocated for this year is earmarked for the purpose of supplementing the pensions of old age security recipients?

Mrs. Rideout: I think the hon. member will appreciate that it would be difficult for me to provide him with that information, but I am sure that he has had the opportunity to obtain it and will have further opportunity during the clause by clause study of the Canada Assistance Plan.

Mr. Knowles: Is the hon. lady not, with me, a member of the committee on health and welfare, and does she not know that we have been given a figure which is next to nothing?

Mrs. Rideout: Then I am wondering why the hon. gentleman is asking me a question if he already knows the answer.

Mr. Knowles: Because I think it is unfair to throw out this figure of a pension of $140 a month when it is not being provided under the Canada Assistance Plan.

Mrs. Rideout: Mr. Speaker, I would rather not get into an argument with the hon. gentleman, but I should like to add that certainly if there is a need the need will be met. The hon. member will also have an opportunity to speak on this question.

If the old age security pension were raised to $100 a month it would provide incomes to many people, expecially those who are married, where the payment would be $200 a month, much greater than the cash incomes of many younger people engaged in primary industries in marginal communities. At the same time, a $100 pension would not meet all the needs of aged persons living in the higher-cost urban centres.

A $100 a month pension would require tax increases under the 3-3-4 formula in order to prevent deficits from arising in that fund, or additional allocations from general revenue to cover the deficits that will arise. Increased federal expenditures for old age security would have an effect on the over-all priorities for other federal expenditures. For example, increased taxes for this purpose would affect the revenues available for university aid, medicare, federal-provincial fiscal equalization adjustments, and any future adjustment in family allowances and youth allowances, to mention only a few programs.

The Canada Pension Plan and old age security will provide a maximum combined benefit of $179 a month. The level of the Canada Pension Plan will be adjusted upwards with changes in the cost of living during the transition period and thereafter in line with changes in wages. These provisions will be automatic and thereby provide for a built-in escalation of expenditures. However, amounts raised from contributions will also increase as the ceiling is raised and will thus assist in financing these added expenditures. The resolution before the house makes no provision for financing the added expenditures it entails.

I should like to say in conclusion that I wish to draw to the attention of the hon. member the words of the Minister of National Health and Welfare (Mr. MacEachen) in winding up the second reading debate on the Canada Assistance Plan. I think the minister made it quite clear that all of us on the government side are concerned for our elderly citizens in Canada, to whom we have indeed been giving serious consideration. The minister has indicated on several occasions that he is trying to resolve this problem, and I should like to read into the record if I may, Mr. Speaker, the words he used in concluding his speech, which appear at page 7205 of *Hansard*:

> The old age pension question is another, distinct issue, and I can assure hon. members that it will be dealt with in another and more appropriate context and, I would add with equal assurance, within a very short time.

Some hon. Members: Filibuster.

Canada Pension Plan

• (5:20 p.m.)

[*Translation*]

Mr. Ovide Laflamme (Québec-Montmorency): In taking my turn in this debate on the member's motion, I just wish to call to the attention of the house some speeches made in the last few days and in particular to point out with what insistence some hon. members seem to talk of increasing the old age pension, for strictly political reasons of course. They want to get $100 a month without any means test. Well, not a single member mentioned that, among those who could benefit from social security measures, there are a large number of citizens who not only could but had the right to benefit from the distribution of all the national wealth.

In my opinion, Mr. Speaker, that can be described as altering completely the basic principles of any well understood social security system. If all the national wealth enables one class of society or another to benefit from social security measures, I think that we must admit that one or the other must also benefit from it and I do not understand the insistence with which some hon. members ask for an increase in the old age pension, without a word being said about the other classes of society, namely the widows, the needy mothers and also the children with regard to family allowances.

I would like to know if there is a member of the New Democratic Party who is in a position to say that, at the present time, an old man needs an increase in his old age pension more than a mother needs an increase in family allowances.

Mr. Speaker, I respectfully submit that if we take an important part of income out of the national wealth to distribute it to a particular class without taking the others into account, we are altering the principle of social security. I am convinced—

Mr. Grégoire: Mr. Speaker, on a point of order. To correct what the hon. member is saying, I would like to point out to him that when I spoke about that matter, I said that it was necessary also to increase the family allowances. Therefore, I would like him to make the distinction for those who spoke about that.

Mr. Laflamme: Mr. Speaker, I apologize to the hon. member for Lapointe and I respectfully submit that if he referred to that, he is coming close to what I believe to be the basic principle of social security, namely the fair distribution to all classes of recipients of the surplus or of the whole of our national wealth. How can one reconcile the facts otherwise?

[Mrs. Rideout.]

Mr. Speaker, we have now reached the point in this house where we try and prove that social security measures are based on the cost of living and on what is necessary for a person to live on. Now, I respectfully submit that such is not the basic principle of social security, for social security is redistribution of our national wealth. If that redistribution is done according to what everyone needs for a living, the idea is all wrong; all welfare measures would then be quite insufficient.

How can a mother support her children with $6 or $8 a month? Is that enough to live on? How can an elderly person live on $75 a month? Those are assistance measures. But when an increase of the old age pension is considered, hon. members of the opposition should also have the guts to ask, as I intend to do personally, that if there is in the public funds $100 million to redistribute, all classes of society should be considered and not one in particular.

I am not, Mr. Speaker, against an increase of the old age pension; on the contrary, I believe that to belong to the political party which launched all the welfare measures which the Canadian people now enjoy—

[*English*]

Mr. Winkler: Would the hon. member permit a question?

Mr. Laflamme: Certainly.

Mr. Winkler: In view of what the hon. member is saying I wonder if he would prevail upon his colleagues to remain in their seats so that the whole house could express its feeling on this question by a vote. We would know then. For the fourth time the hon. member will be able to vote against the old age pensioners.

[*Translation*]

Mr. Laflamme: Mr. Speaker, I have no intention of speaking at length on the question of whether one may or should vote against the old age pension. I shall simply state freely and sincerely, without any political partisanship, what I personally feel is the basic principle of social security which does not rest upon the living requirements of a person, but on a fair distribution of the whole national wealth between all social groups entitled to share it, specifically the children,

the disabled, the blind and all the other groups of pensioners, including of course, the old age pensioners.

And if the federal treasury is rich enough to increase, without raising taxes, the old age pensions by $25 a month, which I am not in a position to say—so much the better, but the other social security measures should also be increased at the same rate.

That is my personal view of social security which is not based, in spite of attempts which have been made in the house for the several months, on the principle that so much is needed to live on, and that it must be made available and, as the hon. Leader of the Opposition (Mr. Diefenbaker) asked the Prime Minister (Mr. Pearson) when he said: "Could you live on $75 a month?" That is not the question. To my mind, that is sheer politics.

It is important to say how much the federal treasury can contribute, what are the amounts the federal treasury can supply without strangling the taxpayers because it is a well known fact that approximately 25 to 30 per cent of the population pay more than 80 per cent of the taxes.

[*English*]

Mr. Winkler: Does the hon. member know how much money is in the old age pension fund now and for what purpose it is there? We will know at six o'clock how you feel about the old age pensioners.

[*Translation*]

Mr. Laflamme: Mr. Speaker, I know there is an amount of approximately $275 million under legislation adopted by the present government, eligibility to the old age pension is being brought lower from year to year down to age 65 and if the taxes are not increased, this surplus will be considerably—

[*English*]

Mr. Winkler: That is wrong. That is wrong.

[*Translation*]

Mr. Laflamme: This surplus will—

Mr. Grégoire: That is not what the minister said.

[*English*]

Mr. Winkler: I know the hon. member for Kootenay East wants me to make a statement. If he will read the departmental figures and consult with the officials he will know that this is wrong—

Mr. Deputy Speaker: Order, please.

Mr. Winkler: I have no intention of making a statement.

Mr. Byrne: I will.

Mr. Winkler: You will because you have to.

An hon. Member: Six o'clock.

[*Translation*]

Mr. Grégoire: The minister said that it was accumulating at the rate of $2 billion in ten years.

Mr. Laflamme: I believe, Mr. Speaker, that the members of the opposition are in favour of higher old age pensions. I believe it sincerely, but what I cannot understand, as regards the position of members of the official opposition and the New Democratic Party, is that they are calling for an additional expenditure of several million dollars per year by the federal government, in favour of persons over 69 years of age, without taking into account the other classes of society.

And now I return to the principle which I established and I would ask the hon. member for Winnipeg North Centre to contradict it if he can. Does he not believe, since he is obviously trying to assert himself as an expert in social security measures, that if the Canadian government has $100 million to distribute, this amount should be distributed to all classes of society in need thereof? He cannot say, any more than I can, that a mother does not need larger family allowances just as much as the old people receiving the pension.

[*English*]

Mr. Knowles: Would the hon. member permit a question?

Mr. Laflamme: Yes.

Mr. Knowles: Is he not aware of the fact that we support welfare measures across the board? For example, we support the Canada Assistance Plan, but we want both. We want welfare measures where they are needed, as set out in the Canada Assistance Plan, and we also want an increase in the pensions of retired people as well.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Laflamme: I am very glad of this. Does the hon. member also mean that he is in favour of an increase?

Mr. Knowles: Yes indeed.

Mr. Laflamme: I am glad to hear him say so, because we have been hearing about social security measures for the past month, and I might ask him whether a homemaker also needs an increase in family allowances in order to raise and educate her children.

Mr. Lewis: Family allowances are not being discussed.

Mr. Laflamme: It is the principle of social security. I merely wish to say to my friend that social security measures are nevertheless paid for with the money of Canadian taxpayers. Now, if this is paid out of the money of Canadian taxpayers, how is it possible to understand that a great number of members want only one class of people to take advantage of the money available from the national income?

I personally feel that if we have $200 or $300 million available without overburdening the taxpayers, all classes of society should share equally in the benefits.

I ask the members from either group to say whether a mother raising five children has less need to have her family allowances increased by $2, $3 and $5 a month than an older person needs to have his pension increased?

Mr. Grégoire: Does the member allow me a question? Is the member for Quebec Montmorency implying that the government intends to introduce a legislation so as to increase family allowances by $5 a month?

Mr. Laflamme: I express myself freely within the party to which I belong and which set up the whole framework of social security. I, for one, believe in an equitable distribution of national wealth to all classes of society and not to the old people only.

Not that I am against increasing the old age pension—and I want that to be well understood—for I know that, while the hon. members opposite spent days talking, many old people did not have enough to subsist on $75 a month. They were not in the least concerned with social security, but rather with small politicking, because social security cannot be based on what a person needs to live on. If a social security policy is to be based on what a person needs to live, then I say that a mother must have $10, $15 or $25 per child, because that is what she would need to support her family fairly and decently. Do you really not admit it?

[Mr. Knowles.]

Mr. Grégoire: Does the government intend to present legislation to this effect soon? That is what I was asking earlier.

Mr. Laflamme: What I am saying, both publicly and within my party, is that I am in favour of increasing all social assistance; but I object to the use of the principle of social security to increase social assistance through pressure and pure partisanship, when a considerable amount of money will be spent on one class and the others will be deprived, because the hon. members are unable, as I am—

[*English*]

Mr. Lewis: I would like to ask the hon. member—

• (5:30 p.m.)

[*Translation*]

If Canada is rich enough for both, I am sure the present government will increase them all, and very soon.

[*English*]

Mr. Winkler: Would the hon. member permit a further question? We might be inclined to agree with him in a certain area of this debate, but does he realize that we are discussing old age pensions and that the federal old age security fund is for that purpose alone, whether the hon. member likes it or not?

[*Translation*]

Mr. Laflamme: What I respectfully submit on that point, on the question of the pension fund, is that we will obviously have to know within a year or two, what will be the cost of the gradual decrease in the years of recipients, and this is lower, as you well know, from year to year. At this time, I respectfully submit it is not possible to use part of the fund for old age pensions and divert it to other social security measures. The money distributed to those who need it comes from the taxpayers. There cannot be created a privileged class of recipients, out of tax revenue, in the distribution of national wealth, to the detriment of other classes. If we have sufficient funds, we must pay—

Mr. Winkler: But you are not doing that, because the fund is set up for this specific purpose and it is increasing at an appreciable rate.

Mr. Laflamme: Still, Mr. Speaker, this money comes from the taxpayers. I repeat, the basic principle in which I believe is that the money of the taxpayers should benefit

all classes of society through social security allowances. I defy the hon. members of the opposition to say that the other classes of citizens do not need a raise more than old people. If we are rich enough to give our old people an extra $25 without overburdening the taxpayers, which will, of course, be decided by the government, we should also be rich enough to increase the other social security allowances proportionately.

When we are to do so, by burdening—

[*English*]

Mr. Winkler: And for that purpose only.

[*Translation*]

Mr. Laflamme: Mr. Speaker, I should like to be allowed to give my opinion. When we have to do so by burdening the Canadian taxpayers with new taxes, then we will have to think twice about it. Anyway, this is my basic concept of social security and I invite the hon. members to tell me what they think of it.

[*English*]

Mr. McCleave: Mr. Speaker, I should like to raise one question to be answered by those opposite who may wish to continue this debate. If the formula of the hon. lady is correct, the average assistance to old age pensioners across Canada for the remainder of the year would work out to something like 40 cents a month. I wonder whether she prefers that formula to the one offered in the resolution of the hon. member for Perth (Mr. Monteith)?

Mr. Jack Davis (Coast-Capilano): Mr. Speaker, I rise to enter this debate without making any apology for doing so. I shall not merely be taking up the time of the house, because I wish to get two or three things off my chest which are relevant to pensions and more particularly to old age pensions.

I have rarely heard it stated by any hon. member, either in this house or outside it, what the cost of these various measures would be and I believe the people of this country have the right to an accurate accounting of what the costs are likely to be. I believe most people want those costs translated into taxes on the incomes of individual wage earners in this country.

An increase in old age pensions from a flat rate of $75 a month to $100 a month, which is taken seriously by all members of this house and which is firmly advocated by several parties in the opposition as being a plank in their election platforms, should be translated into monthly payments by wage earners of this country. An additional $25 a month has been proposed for elderly people in this country. There are now one and a half million of them and within the next decade there will be more than two million.

The cost of such an increase would work out to something around $9 a month. This would have to come from the paychecks of people who are working in this country today. After all, somebody has to generate the income which is then taken from them and turned over to others on social security in Canada.

There are many cases of need among the elderly, and I am not one to deny it. But I believe that any member who acts responsibly in this house should always give the other side of the equation. And the other side is this: How much must we take from the working people of this country in order to be able to pay these additional benefits and how much will it mean in deductions from their paychecks? I am sure the vast majority of people in this country have no conception of the amount of money involved in programs of this kind.

Mr. Knowles: Mr. Speaker—

An hon. Member: Give us your calculation.

Mr. Davis: I intend to do so if I am permitted to continue.

Mr. Knowles: Is the hon. member aware that the $215 million surplus in the old age security fund as of March 31 this year is more than enough to pay the increase of $25 a month, which we are advocating, for the balance of this fiscal year?

• (5:40 p.m.)

Mr. Davis: Mr. Speaker, I do not think that windfalls—and perhaps I should not refer to $215 million as a windfall—should be regarded as a feature that could be incorporated into a plan that is going to last for decades. If we are overtaxing in respect of the old age security $75 flat rate at the moment, then we pay a few more dollars a month or reduce the taxes. What I am saying is that we should be frank and truthful with the people of this country and say what our programs for increased welfare mean in terms of increased tax dollars taken from them. I do not want to deal with a fortuitous accumulation in any plan at the moment—

Mr. Knowles: But before saying an additional so many dollars would have to come

from every person, should the parliamentary secretary not take into account what is already being taken away from the people in taxes to build up the old age security fund? I agree with him that we should know what the tax collection requirements are, but these are taxes which have already been paid for old age security.

Mr. Davis: I am quite sure those taxes which have accumulated over a period of years—

Mr. Knowles: One year only.

Mr. Deputy Speaker: Order. If hon. members wish to ask questions of the hon. member for Coast-Capilano I am sure he will indicate whether or not he is prepared to answer them.

Mr. Lewis: Can the hon. member tell us how many years it took to accumulate the fund?

Mr. Knowles: One year only.

Mr. Davis: That has been accumulated in the last couple of years, to my knowledge. I would prefer now to finish my remarks. I think the hon. member has raised a good point. It is one of the substantial arguments which the N.D.P. is using and, to a lesser extent, the official opposition, in order to justify an even larger outlay in respect of pensions. However, I listened to the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Rideout) and the figures she gave were prepared by civil servants competent in this subject. She said that on average over the next five years an increase from $75 to $100 a month would run around $700 million a year.

The hon. member for Winnipeg North Centre (Mr. Knowles) is suggesting that an over collection of some $215 million over the last year or two should be applied immediately to meeting part of this increase. I say we should be frank with the people of Canada and say that $8, $9 or $10 a month is going to have to be taken off the pay packet of every working citizen in order to meet an increase in the flat rate of the old age pension from $75 to $100.

Mr. Lewis: Would the hon. member be kind enough to give us the calculation which arrives at $8 to $10 out of each wage packet?

Mr. Davis: I assume the hon. member will accept the $700 million a year figure produced by the department as the cost of the flat increase. The parliamentary secretary said it would be $3½ billion over five years or $700 million a year on the average. Taking the working population of Canada, which is of the order of six million people, more than $100 a year has to come from each member of the working population. If you divide this by 12 months of the year you get $8 to $10. I have more accurate figures in my office, and the result I arrived at was $9. That is the order of magnitude of the cost.

This private member's motion is mischievous in another sense. It does not say where the money would come from. It implies that it would come out of the Canada Pension Plan. In fact it specifically says:

> —the government should give immediate consideration to amending the Canada Pension Plan in such a way as to insure that it and complementary pensions and retirement allowance legislation—

Will produce $100 per month. In other words, the Canada Pension Plan must be amended to supply this money and not the old age assistance legislation as the hon. member for Winnipeg North Centre was inferring. The Canada Pension Plan was negotiated with the provinces collectively and individually, and ten provincial governments of different political stripes would have to be consulted before the federal government could give effect to this amendment.

In other words, it would be impossible for the government of Canada to give immediate effect to an increase from $75 to $100 if it were thinking of getting the necessary money, at least for the short term, by robbing the Canada Pension Plan. The Canada Pension Plan was worked out very carefully in economic and financial terms. It was scrutinized by many experts not only here in Ottawa but in the provinces, and was examined thoroughly in committee by experts from insurance companies. Now the hon. member for Perth is asking us to dismiss summarily all the calculations that were made in the preparation of it.

Mr. Monteith: Has the hon. member read the evidence presented before the Canada Pension Plan committee, which sat about a year and a half ago, and which indicated that most of the insurance companies and the province of Ontario suggested that $25 a month be given to old age security recipients from the Canada Pension Plan?

Mr. Davis: I have read a good part of the evidence and skimmed over the rest of it, but I did not find any conclusion that that sort of

surplus, or indeed any surplus, was accumulating in the Canada Pension Plan. Each of us individually is making a payment into that plan and we all have every right to expect that we will get our contributions back out of the plan. I do not think it would be proper if suddenly this government were to dip into the Canada Pension Plan funds to jump old age security payments from $75 to $100 a month.

I should now like to refer briefly to a point made by the hon. member for Winnipeg North Centre. He asked the Parliamentary Secretary to the Minister of National Health and Welfare how many elderly people would benefit under the Canada Assistance Plan and he implied, I think quite properly, that the $85 million would not all go to old age pensioners. I have looked up the introductory statement made by the minister on June 27 and, as recorded at page 6921 of *Hansard*, he itemized the various groups which will benefit from the Canada Assistance Plan. He said:

> These include some 85,000 persons still covered under the old age assistance program—

I personally have no idea how much money they will receive. This depends upon what the provinces individually will decide. But I am quite sure that many of the provinces, and ultimately all of them, as a result of the Canada Assistance Plan will increase their welfare payments to all people who come under its provisions, and naturally those over age 65 who benefit will be assisted in a significant way.

Mr. Knowles: We shall find that out tomorrow.

Mr. Davis: No member on this side of the house expects the Canada Assistance Plan to do everything for the aged. That plan deals with many groups, including people receiving blind persons allowances, disabled persons, and 200,000 needy mothers. Incidentally, for the first time federal money is being made available to that category. It also covers 600,000 people receiving unemployment assistance, and 50,000 orphaned children. Therefore it is obvious that the $85 million having to cover all these groups cannot do a great deal for the elderly.

• (5:50 p.m.)

I think we must look at the problem of the elderly in another way. Personally I am very much intrigued by Senator Croll's report, the Senate report entitled The Final Report of the Special Committee of the Senate on Aging. I am very much intrigued, as I am sure are many other members, with the concept of minimum income maintenance. This is going to be expensive, but I prefer it for several reasons. I prefer it in view of my first hand knowledge which I gained back in the 1950's when, out in Vancouver, we carried out an assessment of needs of people on social assistance. That was nearly ten years ago. After assessing the minimum requirements we came to the conclusion in respect of individuals on social assistance that for food, clothing, shelter, utilities and so on an individual needed at least $100 a month. Also, behind this analysis there was an assumption that that individual was the best possible manager in the world. We worked out the figures as to food requirements with the advice of home economists from the University of British Columbia and so on. With the best possible knowledge and after shopping around in Vancouver to get the lowest possible prices for food, clothing, rent, etc., we found that $100 a month was the absolute minimum for an individual on social assistance. They were getting $55 in those days. As a result of our study for the community chest, it was bumped up to $65. I think another $10 was added later.

Most of us recognize that the payments to these people on social assistance are not adequate. We must move progressively to a system of minimum income maintenance, and we must carry out thorough appraisals such as that one in each region because the cost of living differs across the country. We must do this and we must make allowances. It must be done in co-operation with the provinces, because they have a major responsibility in this area. The Canada Assistance Plan goes part way down the road. Perhaps ultimately, if the provinces live up to their responsibility, it may go a long way toward meeting this problem of need.

I should like to go back to the matter of old age pensions. I should like to think that eventually the federal government will adopt a plan similar to that outlined in the Croll report, and that we will have figures developed as to minimum needs regionally across the country. We would have to help those people who are in need. They do not add up to all of the one and a half million elderly in our country. They are a small fraction of the total, but they are the people who have nothing other than the present flat rate pension; they need a supplementary income. I believe in the long run it will be up to the

nation to provide that supplementary income so that they can live in dignity at a minimum standard.

I think this motion is mischievous because we have debated this subject—

Mr. Winkler: Mischievous against whom? Against the people who need money, as you say?

Mr. Deputy Speaker: Order, please. The hon. gentleman is interrupting. He is not asking a question.

Mr. Winkler: A typical Liberal stand.

Mr. Davis: The hon. member for Grey-Bruce (Mr. Winkler) objects, but I would say it is mischievous for several reasons. One is that the essence of this subject was debated at great length in this house a few months ago.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please. The hon. member who now has the floor has the right to continue his speech without being interrupted.

Mr. Churchill: He should have some appreciation for the senior citizens of this country.

Mr. Winkler: We want the old people to understand where he stands.

Mr. Davis: As I said, the substance of this motion was debated at length in this house at the beginning of the session and there was a proper vote held on it after considerable discussion. This is merely an attempt to debate it again during private members' hour. I suggest it would be financially and legally wrong to rob the Canada Pension Plan by stripping it of the funds necessary to increase old age pensions from $75 to $100 a month.

Mr. Winkler: Would the hon. member allow a question? Would he call it robbing the fund when the fund is set up for that very purpose and that purpose only? Tell me that.

Mr. Davis: I call robbing, among other things, something that is illegal, and I say that is illegal because the money we are paying into the Canada Pension Plan is money paid in trust to look after us when we reach age 65. That is wrapped up in the legal phraseology in the act making the Canada Pension Plan law in this country.

[Mr. Davis.]

Mr. Winkler: I am glad I do not have to depend on the Liberal party.

Mr. Davis: The suggestion that the government should out of hand dip into the funds being accumulated for the Canada Pension Plan and pay the money to people now aged 65 and over certainly is inconsistent with the concept of the Canada Pension Plan.

Mr. Grégoire: Would the hon. member permit a question? If we take the money which is there now, in 25 years there will be money to pay our pensions and to increase the old age pension.

Mr. Davis: We debated the Canada Pension Plan for a good many days and I think it is a reasonably good plan. The hon. member contributed many words and many ideas to the debate at that time.

An hon. Member: Sit down and let us vote. We have two minutes.

Mr. Starr: Get the hon. member for Brantford (Mr. Brown) in here.

Mr. Deputy Speaker: The hon. member for Coast-Capilano has one minute left of his time.

An hon. Member: Just time left to vote.

Mr. Davis: To summarize, Mr. Speaker, we need more responsibility in respect of the old age pensions in this country. We are paying among the highest old age pensions in the world in Canada today. We are going to pay more. We can afford more, but we must, however, say from whom we are going to take the money. We are going to have to say whether we are going to take it away from the head of a young family who is earning $300 a month and give it to an old couple who are receiving $200 a month.

Mr. Deputy Speaker: Order. The hour provided for the consideration of private members' business has expired.

• (6:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to know whether there is a minister present, or someone substituting for a minister, to announce the business for tomorrow.

Mr. Churchill: Where is the cabinet?

Mr. Grégoire: There are no members of the cabinet here.

Mr. Starr: Is there any backbencher who is prepared to announce what the business is going to be?

Mr. Churchill: Where is the shadow cabinet?

Mr. Pilon: I delivered a message to the other side five minutes ago, Mr. Speaker.

Mr. Grégoire: We have not yet received the message.

Mr. Knowles: Then can the hon. member for Ontario tell us what the business of the house will be?

Mr. Starr: Well, Mr. Speaker, I think we should go on with—

Some hon. Members: Oh, oh.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

23033—462½

HOUSE OF COMMONS

Thursday, July 7, 1966

The house met at 2.30 p.m.

[*Translation*]

COMMITTEES OF THE HOUSE

Mr. Gérard Loiselle (St. Ann) presented the second report of the standing committee on miscellaneous private bills.

[*English*]

First and second reports of standing committee on privileges and elections—Mr. McWilliam.

FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. H. E. Gray (Essex West): Mr. Speaker, I beg to present, in English and French the eleventh report of the standing committee on finance, trade and economic affairs.

[*Translation*]

In that report the committee refers back to the house a bill concerning an insurance company.

[*English*]

[*Note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

STANDING ORDERS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Patrick T. Asselin (Richmond-Wolfe) moved that the second report of the standing committee on standing orders, presented to the house on Tuesday, July 5, be concurred in.

Motion agreed to.

PENITENTIARIES—CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie) moved that the first report of the special joint committee on penitentiaries, presented to the house on Tuesday, July 5, be concurred in.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, once again I want to talk about the quorum of the committees being reduced. At the beginning of the session we objected to the quorum being reduced and the committees sitting at the same time as the house. On many occasions, the government house leader (Mr. McIlraith) and even the Prime Minister (Mr. Pearson) told us that they would study the situation in order to solve that problem. Nothing has been done yet and every day new committee reports are presented asking for permission to sit at the same time as the house or as is being done today to reduce the quorum. That is not the solution and we ask the government house leader to find a solution as quickly as possible, so that we will no longer be faced with the same problems. That is why we object to concurrence in that report; if it is concurred in, we ask that it be on division.

[*English*]

Motion agreed to on division.

• (2:40 p.m.)

PUBLIC SERVICE

AGREEMENT FOR RECIPROCAL TRANSFER OF PENSION CREDITS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am pleased to join with Hon. James Allan, provincial treasurer of Ontario, in announcing a reciprocal agreement for the transfer of pension credits for civil servants transferring from the government of Canada to the province of Ontario or vice-versa.

This agreement is designed to assist a person wishing to transfer his employment from one government to the other to transfer at the same time the pension credits which are acceptable to the other government's pension plan. Details of this procedure authorized under the respective superannuation acts have now been completed. September 1, 1965 is the effective date, and transfers on and after that date will be covered by this authority.

With the agreement of the house I should like to table copies of the agreement.

Mr. Speaker: Has the minister leave of the house to table the documents?

Some hon. Members: Agreed.

Inquiries of the Ministry

PENSIONS

PROVISION FOR REGULATION OF PRIVATE PLANS

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, yesterday a notice was sent in the usual way to enable a bill having to do with pension benefits standards to be placed on the order paper. Through some pure inadvertence on the part of the clerical staff the bill does not appear on *Votes and Proceedings* of today as it should have. I should like permission to have this bill dealt with as if it had appeared where it should have, and to have the mistake rectified in that way. I ask for the concurrence of the house in this regard.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Later:*]

Mr. Speaker: Does the Minister of Public Works propose that the bill to which he referred a few moments ago be moved?

Mr. McIlraith: Yes, Mr. Speaker.

Hon. Mitchell Sharp (Minister of Finance) moved for leave to introduce Bill No. C-221, respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

Mr. Speaker: Is it the pleasure of the house that the minister shall have leave to introduce the said bill?

Some hon. Members: Carried.

Some hon. Members: Explain.

Mr. Speaker: Order, please. The minister should have been given an earlier opportunity to give an explanation. Is it agreed that the Minister of Finance shall be given an opportunity to explain the bill now?

Some hon. Members: Agreed.

Mr. Sharp: This legislation deals with the portability and solvency of private pension plans applicable to employment in works, undertakings and businesses under the jurisdiction of parliament. This bill was contemplated in a statement to the house on December 18, 1964, by the then minister of finance. It is based upon and is very similar to legislation which has been enacted in the provinces of Ontario, Quebec and Alberta.

Motion agreed to and bill read the first time.

[Mr. Speaker.]

EXTERNAL AFFAIRS

VIET NAM—REQUEST BY INDIAN PRIME MINISTER FOR RECONVENING OF GENEVA CONFERENCE

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 would the Prime Minister be in a position to advise whether the initiative taken by the Prime Minister of India, Mrs. Indira Gandhi, calling on Russia and Great Britain to reconvene immediately the 1954 Geneva conference on Indo China had been discussed with Canada before being announced by the Prime Minister of India? Also, is the Prime Minister aware of the fact that in the British house the foreign secretary mentioned this initiative, and that the British government would consider the Indian plan with sympathy and hope?

What is the attitude of Canada in this regard? Does Canada support the basis upon which the Prime Minister of India asks for the reconvening of the conference, which is that all foreign troops must be withdrawn from Viet Nam; that Viet Nam must be insulated from what she calls "foreign interference", and that the Geneva conference should guarantee the integrity and independence of a neutral Viet Nam as well as of the neighbouring states of Laos and Cambodia?

Right Hon. L. B. Pearson (Prime Minister): We have more than once expressed the hope that the Geneva conference could be reconvened by the chairman with a view to bringing the conflict in Viet Nam to an end. I should not like without further consideration to express an opinion on the conditions laid down by the Prime Minister of India for the calling of such a conference. My first reaction is that if the requirements were insisted upon, it would be very difficult indeed to call such a conference with any chance of success.

Mr. Diefenbaker: Would the Prime Minister say whether there has been any consultation with India or with the United Kingdom with particular reference to the ad hoc suggestion made by the Prime Minister of India? Have any tentative approaches been made to the United States to discover whether such terms would be acceptable?

Mr. Pearson: We have discussed the reconvening of the conference from time to time

with both the United Kingdom and the government of India. I am not aware that the particular conditions reported to have been attached to reconvening a conference by the Prime Minister of India were sent to the government of Canada before she made that statement. I had not seen them. Possibly they had come to hand before this morning; I would be glad to look at once to see whether that has happened.

BUSINESS OF THE HOUSE

MEDICARE—CONSIDERATION BEFORE SUMMER RECESS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister and I ask it in the light of certain reports which are current in the press. Is it still the intention of the government that the legislation respecting medicare shall be dealt with before this session recesses, as the Prime Minister indicated on June 1?

Right Hon. L. B. Pearson (Prime Minister): It is our intention to introduce, I hope within a very few hours, the resolution dealing with medicare, and it is still our hope to get the legislation through all its stages with the least possible delay.

Some hon. Members: Hear, hear.

Hon. Michael Starr (Ontario): The Prime Minister says the medicare resolution will be introduced within a few hours. Was he in communication with the leader of the house before making that statement?

Mr. Pearson: When I say "within a few hours" I mean anything between two and twelve hours.

Mr. Starr: How about three months?

Mr. Pearson: I hope we shall get this resolution introduced into the House of Commons and passed perhaps before the end of the week. That is only a few hours.

Mr. Starr: A supplementary question based upon press reports. Is the Prime Minister aware of the statement made by the hon. member for Winnipeg North Centre to the effect that there have been some conversations with Liberal members in this house who are anxious to join the New Democratic Party?

Some hon. Members: Oh, oh.

Mr. Starr: Could the Prime Minister say what are his opinions with regard to this statement by the hon. member for Winnipeg North Centre?

Mr. Speaker: Order. This question is theoretical.

Mr. Starr: On a point of order, I think it might be theoretical if the Prime Minister stated it was not so, but on the surface I think we can only take it for granted that the statement is the truth.

Mr. Speaker: I really think the question is not acceptable at this time.

Mr. Starr: I believe the Prime Minister wishes to correct this situation. I feel certain he does.

Mr. Pearson: I do not wish to be out of order.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

MONTREAL—CONSTRUCTION OF HEADQUARTERS BUILDING

On the orders of the day:

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

Further to the statement made in this house yesterday by the minister to the effect that construction of the C.B.C. building at Montreal was delayed by a shortage of skilled labour in the building trades, could the minister tell us whether she has received protests from building labour unions of the province of Quebec and from the Province of Quebec Builders Association to the effect that there was enough competent labour available to work on the C.B.C. building at Montreal?

[*English*]

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I have received protests from no one, and indeed I should not; for it is proceeding exactly as the government planned.

COMMONWEALTH RELATIONS

REQUEST FOR REPORT ON MEETING WITH CARIBBEAN COUNTRIES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the

Prime Minister. Can the Prime Minister report on the progress of the talks now going on with the heads of the Carribean governments; and can he assure the house that everything possible is being done to encourage an increase in trade between that area and Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, while we are in the midst of the talks I can only say that they are going on extremely well. A committee has been set up to deal with the matter to which my hon. friend refers, to find ways of increasing trade between the Caribbean area and Canada, and we have also discussed other important subjects. We expect to complete our meetings tomorrow evening, and I hope to be in a position to make a statement about the conference when the house convenes on Monday.

Mr. Thompson: As a supplementary question could the Prime Minister tell us whether the government has sought to hear the views of the Caribbean nations on the question of Canadian membership in the Organization of American States?

Mr. Pearson: That has not yet been discussed, Mr. Speaker, but I suspect it will be tomorrow morning.

NATIONAL DEFENCE

INQUIRY AS TO RETIREMENT OF SENIOR OFFICERS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the Minister of National Defence related to the recent announcement of retirements and promotions at senior levels of the armed forces. Can the minister offer the house any explanation for the retirement of three very senior serving officers in the armed forces, two of them four years before normal retirement age and one of them seven years before normal retirement age? Have these retirements any connection with the program for the armed forces now being insisted upon by the minister?

Mr. Speaker: Order. I suggest to the hon. member that this question is not urgent. It refers to retirements which have already taken place, and I suggest the question should be placed on the order paper or debated at adjournment time.

Mr. Fulton: Mr. Speaker, I hesitate to take up the time of the house at the adjournment hour; but the implications of this matter are serious and urgent, as my question will suggest. Since the minister was rising to reply I wonder would Your Honour stretch a point?

Mr. Speaker: I always like to stretch a point for the hon. member for Kamloops.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the retirements are by mutual understanding.

Some hon. Members: Oh, oh.

Mr. Fulton: As a supplementary question is it normal understanding or normal policy that at a time when these senior officers should be producing and giving of their maximum contribution, they should retire four and seven years respectively before normal retirement age?

Mr. Speaker: Order. I do not think the second question is acceptable.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Were the recent compulsory retirements of senior officers made on the advice of the chief of the defence staff, or is the minister acting as commander in chief of Canada's armed forces and dismissing all those who are critical of his innovations?

Mr. Hellyer: Mr. Speaker, the alleged facts in my hon. friend's statement are inaccurate.

INQUIRY AS TO PROVISION OF STANDARD UNIFORM

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. Has a decision been reached to date to provide a uniform uniform for Canada's armed forces?

Hon. Paul Hellyer (Minister of National Defence): Not as yet, Mr. Speaker.

Mr. H. Russell MacEwan (Pictou): I should like to direct a supplementary question to the minister. Will he again assure the house, as he did when his estimates were before us, that the kilt will be retained as part of the dress uniform for highland units?

Mr. Hellyer: Yes, Mr. Speaker, that is my intention.

AGRICULTURE

MILK—REPORTED FAILURE TO PAY AVERAGE PRICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can the minister report to the house whether he has found a solution in regard to the payment of $4 milk to producers, in keeping with his election promise?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I believe that solution was properly announced on March 23 in the house.

Som hon. Members: Hear, hear.

Mr. Winkler: As a supplementary question, Mr. Speaker, the minister knows very well that is not so, and I wonder whether he can report anything further with regard to his meeting this morning.

PUBLIC SERVICE

CUSTOMS OFFICERS—PROTESTS RESPECTING CLASSIFICATION PROGRAM

On the orders of the day:

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, the right hon. Leader of the Opposition asked me yesterday whether I had received a resolution passed by the branch presidents of the Customs and Excise Officers' Association, and asked what was my reaction to this resolution. I did receive, on Monday last, a telegram listing a number of resolutions passed at the branch presidents' meeting last week end, and I have reviewed the contents of the telegram.

As I mentioned yesterday, the results of the pay revision announced last week will have the effect of removing a substantial number of employees from holding classifications, established as a result of the pay conversion program. Furthermore, the chairman of the staff side conference of the public service has endorsed and supports the pay revisions announced last week.

With respect to the second question asked by the right hon. gentleman regarding the government's position toward establishing a regulatory group distinct and separate from the clerical group, the government feels that the pay revision program should be completed as planned, and consideration for changes in the occupational groups should be postponed until the legislation concerning collective bargaining has been passed and initial experience demonstrates that changes are required.

All the questions raised in the telegram have been and will continue to be the subject of consultation between the independent Civil Service Commission, which is responsible for reclassification, the Treasury Board, which is responsible for final decisions on rates of pay, and the major employee organizations. These organizations include the staff side conference and the Civil Service Federation of Canada, to both of which the Customs and Excise Officers' Association is affiliated. Many of the problems involved are extremely complicated and will be worked out only as a result of hard work by all concerned in the normal process of consultation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the minister answer the suggestion made in this telegram that as a result of the reclassification in the administrative sections to which reference is made by the president of the Customs and Excise Officers' Association, 40 per cent of their staff will find themselves reduced in so far as their salaries and allowances are concerned?

Mr. Benson: Mr. Speaker, reclassification does not reduce the salary of any civil servant. What happens in the reclassification which is carried out by the independent Civil Service Commission, and which will increase the federal government payroll with regard to civil servants by 2 per cent, is that when persons are in a classification where they are red circled they will not receive advances until the classification has a ceiling beyond the salary they presently are receiving. In each case employees involved have the right of appeal to the Civil Service Commission with regard to classification.

I should like to point out also that many civil servants are being green circled rather than red circled, and their salaries are being increased.

Mr. Diefenbaker: Whether they are green circled, red circled or purple circled, is it a fact, as they allege, that 40 per cent will find themselves in a lesser position than today, and that the appeal of those who are dissatisfied will be to the very body that has fixed the order against which they complain?

Inquiries of the Ministry

Mr. Benson: Mr. Speaker, I should like to point out that none of the civil servants are blue circled, and that their right of appeal of course will be considered through the departments involved. In my particular department, to which my right hon. friend referred, we are looking to ways of reviewing the status of people who are red circled and of moving them to other classifications if they have the necessary qualifications to move to such classifications. In this case they no longer will be red circled.

I think ultimately all civil servants will be quite pleased with the method of classification and particularly the method of collective bargaining which will result from the reclassification of the civil service.

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question which I was going to ask on this subject yesterday. I should like to ask the minister whether he and the Treasury Board have given consideration to a method of red circling which involves permitting the incumbent on the job to obtain the increases during his term of service and a new person taking that job accepting the rate established, rather than freezing the incumbent without permitting him to get an increase during his term of service.

Mr. Speaker: Order. I do not think this question should be asked at this time; it is very general in nature. I suggest it might be placed on the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR COMMITTEE CONSIDERATION OF LABOUR SAFETY CODE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I have a question for the Minister of Labour. Would he consider referring Bill S-35, which is item No. 85 on the order paper, to the appropriate standing committee of the house, in view of the fact that a number of people and organizations who are interested in this bill wish to present briefs and make representations?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I think representations from several of these organizations already have been made to a committee of the Senate, but if there are further requests from interested bodies, I certainly will give serious consideration to the suggestion made by the hon. member.

[Mr. Diefenbaker.]

INQUIRY AS TO BUSINESS FOR TODAY

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question which is supplementary to the question asked by my hon. friend for Ontario concerning the business of the house. I wonder whether the government house leader could tell us exactly what the routine is for today, because it was left rather in mid air last night.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I do not admit there was an error last night.

Mr. Starr: There was nobody here to give the business.

Mr. McIlraith: Yes, there were some ministers here. I do not wish to reopen the debate of last night other than to say that there are some things in *Hansard* that are perhaps not as complete as they ought to be about that. There were two ministers here at the time.

In any event, I understand the hon. member's question concerns the business for today. As the first item we will proceed with the banking resolutions and complete them. Then we will proceed to the income tax bill, the crop insurance bill, the appropriation bill and interim supply, in respect of which I wish to say something in a moment. Then, depending on the hour, we will proceed to the Canada Assistance Plan, and possibly we might wish to call the bill in respect of the national art centre, depending on what members are available.

On interim supply I understand it would be agreeable that debate would proceed without a discussion on Viet Nam until the minister could be in the house. He is in another quite important conference at the moment. When we are dealing with interim supply we might want to ask for some kind of an understanding that this matter would not be debated while he is out of the house.

I should add that there has been some discussion about private members' hours for today and tomorrow. If it were agreeable to hon. members it might be in order to ask for an order of the house suspending private members' hours today and tomorrow.

Some hon. Members: Agreed.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, in respect of the minister's suggestion regarding private members' hours, there are four or five bills which have received the approval of the private bills committee. It

would be desirable, and I do not think it would take too long, to have these bills receive third reading today.

Mr. McIlraith: To clarify this point, I understand that private bills do not come up today or tomorrow in private members' hour.

Mr. Fulton: Let us put them on today and tomorrow by agreement.

[*Later:*]

Mr. Winkler: Mr. Speaker, I wish to refer again to the business of the house and make a suggestion to the house leader. My comments are related to the proposed change in respect of private members' hours. Perhaps some arrangement could be made by unanimous consent to deal with a few bills now on the order paper sponsored by private members. Members of all parties of the house were very generous of their time in committee this morning in an attempt to see that the business was expeditiously handled. In the interest of seeing that bills are properly handled, I think all interested parties would be happy if some arrangement could be made.

Hon. E. D. Fulton (Kamloops): On the same point of order, Mr. Speaker, may I suggest to the house leader, in connection with the suggestion that the private members' hour be dispensed with today, that a discussion be held to see whether it would be agreeable to substitute for the consideration of notices of motion for the production of papers, an hour on private bills. There are a substantial number of them, some of them urgent.

An hon. Member: No, Mr. Speaker.

Mr. Fulton: I am only suggesting that there might be some discussion on the point.

Mr. Speaker: The hon. member must realize that in order to give effect to the proposal there would have to be unanimous consent, and obviously at least one hon. member has indicated that he is not in agreement.

Mr. Fulton: I am only suggesting that the house leader, with his well known powers of persuasion and ability to get along, discuss this matter with hon. members, and perhaps then the hon. member who indicated his dissent would change his mind.

LABOUR RELATIONS

TABLING OF CORRESPONDENCE RESPECTING STRIKE SETTLEMENT TERMS

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): May I say, Mr. Speaker, that yesterday I assured the house I would be filing today certain correspondence among the International Longshoremen's Association, their legal advisers, the Prime Minister and his office, and myself and my department. It is taking a little longer than I expected to prepare the documents, but I can now give a positive assurance that they will be filed tomorrow morning.

CANADA PENSION PLAN

INQUIRY AS TO REFUNDS TO EMPLOYERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Finance and arises out of the announcement he made this afternoon concerning the reciprocal arrangement between the province of Ontario and the federal government for the transfer of pension credits for civil servants. Was any arrangement made for the abatement of over payments on behalf of the employer in this case, which is similar to the situation that prevails with regard to thousands of employers throughout Canada?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I do not think that subject is either covered or should be covered in the agreement.

Mr. Hales: I should like to direct a supplementary question to the Minister of National Revenue. Has he as yet arrived at some plan by which overpayments by employers to the Canada Pension Plan can be refunded?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, we have been considering this matter very seriously but up to the moment we have not found a way of refunding overpayments to employers. Our position in this regard is no different from the position of every other western country which has such a national pension plan.

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR COMPENSATION FOR STORM DAMAGE

On the orders of the day:

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, last Thursday the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) asked me whether I had received a request for financial help from the apple growers of St. Pie, St. Paul, St. Hilaire, Rougemont and St. Jean-Baptiste, who incurred serious damages because of hail-storms on June 14 and 17 last.

The same question was directed to me by the hon. member for Chambly-Rouville (Mr. Pilon) on June 20.

As the hon. member knows, such assistance rests with the provincial government. Until now, the federal government has received no request from the provincial government asking to share in an assistance program to help these fruit growers.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): A supplementary question, Mr. Speaker.

If such a request were made, would the minister give serious consideration to the losses incurred—

Mr. Speaker: Order. The question is becoming hypothetical.

[*Later:*]

Mr. Ricard: Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture.

In his reply to me a minute ago he informed the house that the hon. member for Chambly-Rouville (Mr. Pilon) had dealt with this question on June 20.

Would he say whether the hon. member for Chambly-Rouville dealt with this question here in the house, orally or in writing?

Mr. Speaker: This question is out of order.

Mr. Ricard: Mr. Speaker, with all due respect, I feel I am entitled to a reply, and to a complete reply.

Mr. Speaker: I think the question of the hon. member is not one which can be entertained in the circumstances.

Mr. Ricard: Mr. Speaker, the reason I insist is that I was unable to find in *Hansard* for June 20—

Mr. Speaker: Order. The question is not as urgent as the hon. member seems to think or would indicate. If he feels that the question should in fact be considered by the minister, he is free to serve notice that the question will be brought up under the adjournment motion.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—RESOLUTION OF CANADIAN UN ASSOCIATION

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the Prime Minister or the Secretary of State for External Affairs received a resolution from the United Nations Association of Canada over the signature of Willson Woodside, stating that the association supports the stand taken by U Thant on June 20, 1966, and the following three recommendations; a halt to United States bombing of North Viet Nam; a scaling down of operations by all sides, and the calling on all parties to enter into discussions with all those participating in the fighting? What action does the government plan to take in respect of this resolution?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this resolution may have reached my office but I do not recall having seen it. I will check into this immediately.

Mr. Speaker: The hon. member for Winnipeg South Centre.

Mr. Churchill: Mr. Speaker, I cannot get a satisfactory answer from the Minister of National Defence, so I will not ask another question.

CANADIAN BROADCASTING CORPORATION

SUGGESTED ADMINISTRATION BY TRUSTEE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, inasmuch as the conflict which exists in the C.B.C. is widespread, I should like to direct a question to the Secretary of State. In view of the serious trouble that exists, will the government consider creating a trusteeship for this organization and, if so, would it be possible to appoint Mr. Ernest Bushnell to this assignment?

Hon. Judy V. LaMarsh (Secretary of State): That is quite a novel idea, Mr. Speaker.

INQUIRY AS TO DUTIES OF H. G. WALKER

On the orders of the day:

Mr. David Lewis (York South): I have a supplementary question, Mr. Speaker. I should like to ask the Secretary of State whether, in view of various rumours and statements in the press, she can inform the house as to the present functions and duties of Mr. H. G. Walker.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the position of Mr. Walker is vice president of C.B.C. He has within the last 24 hours, since we met yesterday, removed himself from consideration as a

possible candidate for the new vice presidency in Toronto, responsible for public affairs programming.

[*Translation*]

NATIONAL CAPITAL COMMISSION

PROTESTS RESPECTING LACK OF BILINGUAL R.C.M.P. OFFICERS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the hon. Solicitor General.

Did he receive from the city of Hull protests against the fact that Royal Canadian Mounted Police officers patrolling the National Capital Commission territory are almost all exclusively unilingual, English speaking that is? Can he also advise the house what he intends to do to put an end to this anomaly?

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

[*English*]

CANADIAN CENTENNIAL

INQUIRY AS TO ORGANIZATION OF YOUTH PARLIAMENT

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I should like to direct my question to the Secretary of State. Is that hon. lady now in a position to advise the house as to whether the centennial commission of Canada will proceed now or next year with initial planning for a centennial youth parliament to be held next year?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, this matter has now gone to the centennial commission and from there to the cabinet for consideration. I am grateful to the hon. member for providing me with this opportunity to thank members of this chamber and the upper chamber for the many hours they spent studying this situation, because the Fair proposal was inadequate; and for giving the best of their advice to the centennial commission in order that it may be possible to hold a youth parliament.

I will make an announcement as to whether it will or will not be held as soon as a final decision has been taken. Let me add that should parliament not be in session I shall notify all members by mail.

HOUSING

REPORTED SHORTAGE OF MORTGAGE MONEY

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct my question to the Minister of Labour. In view of the very important statement made a day or so ago by the head of C.M.H.C., is the government now considering further action in order to fill the needs of prospective home owners?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the head of C.H.M.C. makes many important announcements, and I am not just sure which one the hon. member has in mind.

Mr. Grafftey: The one I have in mind relates to the fact that there is a serious decline in house building this year from last year and many Canadians who need homes are going to be without them. Has the government given any consideration to immediate constructive and positive action in this regard?

Mr. Nicholson: Mr. Speaker, the government has given and is giving serious consideration to this matter and has taken positive action. I have some very interesting figures here about house building in Canada, and I will be glad to furnish the hon. member with them on request, but I do not think I should do so on orders of the day.

Mr. Grafftey: May I ask another supplementary question. In spite of the figures the minister could give the house, is it the opinion of the government that the needs of prospective home owners are not being filled under present circumstances?

Mr. Speaker: Order, please. The hon. member is now asking for the expression of an opinion.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, I have a question for the Postmaster General, but in his absence I should like to direct it to the acting minister. My question is consequent upon the reply of the Minister of Industry as recorded on page 7273 of *Hansard* of July 6. Will the Postmaster General commence an investigation to determine the possible loss in the mails of a letter from Queen's Park, Toronto, dated May 19, 1966, written by

Inquiries of the Ministry

Ross M. Whicher, member of the legislative assembly for Bruce, addressed to the Prime Minister?

Hon. C. M. Drury (Minister of Industry): May I clear up what may have been a misunderstanding on my part yesterday in giving a negative answer to the hon. member's question. I thought he was asking whether this letter had been addressed to me, to which my answer was no.

[*Translation*]

AGRICULTURE

REQUEST FOR REPORT ON MEETING WITH PROVINCIAL MINISTERS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to ask a question that is in order, contrary to the previous one.

I should like to ask the Minister of Agriculture, since he had talks this morning with the Quebec and Ontario ministers of agriculture, whether he is in a position to report to the house on these talks and also to indicate to the house what conclusions have been reached during such talks?

[*English*]

Hon. J. J. Greene (Minister of Agriculture): This morning I had a very interesting and useful meeting with the provincial ministers from Quebec and Ontario. These discussions are under my consideration and that of my officials at the present time.

[*Translation*]

Mr. Choquette: Mr. Speaker, I should like to ask the minister whether Mr. Clément Vincent, provincial minister of agriculture, has reiterated to the minister—

Some hon. Members: Hear, hear.

Mr. Choquette: I do not see why they applaud a man who repudiated them.

I should like to ask the Minister of Agriculture—

[*English*]

Anyway, he left the Conservative party because he did not feel at home within that party.

[*Translation*]

Mr. Speaker: Would the hon. member be kind enough—

[Mr. Loney.]

Mr. Choquette: I should like to put a supplementary question, Mr. Speaker, if my friends opposite have the courtesy to let me.

I want to ask the minister whether Mr. Vincent has promised to carry out the commitments he made during the election campaign to the effect that he would implement the proposals of the Liberal party—

Mr. Speaker: Order. This question is out of order.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I rise on a question of privilege.

I wish to inform the house that the Conservative party has not repudiated Mr. Clément Vincent. On the contrary, we are very proud of him and I think he can do much to instruct the federal Minister of Agriculture who is far from an expert in this field—

Mr. Speaker: Order, order.

Mr. Choquette: There is no room for a French Canadian within the Conservative party.

[*English*]

Some hon. Members: Sit down.

Mr. Speaker: Order, please. May we please have order in the house.

[*Later:*]

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. It arises out of the very commendable action of the ministers of agriculture of Ontario and Quebec on behalf of the dairy industry in requesting a meeting with the minister. May I ask the minister whether these gentlemen have requested any other meetings of this kind in regard to other segments of agriculture?

Mr. Greene: Not to my knowledge at the present time.

Mr. Heward Grafftey (Brome-Missisquoi): May I put a supplementary question to the minister. The night before last the minister said on television that he was a fatalist. Does this mean he is fatalistic about the dairy farmers ever getting the $4?

Mr. Greene: I am sufficiently fatalistic to believe we shall remain on this side for a long time.

AIR TRANSPORT

BRITISH COLUMBIA—THREATENED WALKOUT OF RADIO OPERATORS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to direct my question to the Minister of Transport, but in his absence I will put it to his parliamentary secretary. It is a somewhat urgent question related to air traffic safety. Has a telegram been received from the radio operators in the British Columbia region asking for an early and firm date to be set to settle their wage classifications so as to avoid the possibility of a walkout?

Mr. Speaker: Order, please. I do not think this is a question which can be asked at this time.

Mr. Mather: I hope the parliamentary secretary has taken notice of the question.

EXPO '67

INQUIRY AS TO REPRESENTATION OF AGRICULTURE

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is directed to the Minister of Agriculture and it arises out of the recent visit by hon. members of this chamber and of the other place to the Expo site in Montreal. Will the minister assure the house that the Canadian agricultural industry will have suitable and prominent representation, displays and exhibits at Expo '67, particularly for the Canadian dairy industry and other products which we sell on the world markets?

Mr. Speaker: Order, please, I do not think this question can be asked at this time. It can be placed on the order paper or discussed later.

AIRPORTS

WINNIPEG—PROVISION FOR INSTALLATION OF ESCALATORS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of Transport but in his absence I will put it to his parliamentary secretary and ask him to take it as notice and give the answer tomorrow. In the estimates for the Department of Transport there is an item regarding the installation of escalators at the Winnipeg international airport. Is the minister now in a position to tell the house when this work will be commenced?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is not so urgent as to warrant it being asked at this time.

EDUCATION

STUDENT LOANS—REVISION OF REPORT RESPECTING STUDENT NEEDS

On the orders of the day.

Mr. John M. Reid (Kenora-Rainy River): My question, Mr. Speaker, is addressed to the Minister of Finance and concerns the student loans program. On June 11 of last year the former minister of finance tabled a report in this house which appears in *Hansard* of that day. The report contains a section entitled "Approved Report of the Federal-Provincial Standing Committee on the Concept of Students' Need." My question is whether this section of the report has been revised. If so, will the minister consider tabling the revision in the house?

Mr. Speaker: Order, please. It appears to the Chair that this is a question of general nature and therefore cannot be asked now.

SHIPBUILDING

REPRESENTATIONS RESPECTING REPEAL OF VESSEL CONSTRUCTION ASSISTANCE ACT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my question is addressed to the Minister of Finance and concerns Bill C-216. This week the minister said he was considering the deferment of some of the sections of this bill. In view of the fact that the bill may come up for study this afternoon, can the minister tell us the results of his consideration?

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker. When the bill is called I will move to have the sections dealing with the Canadian Vessel Construction Assistance Act deleted and reconsidered later in the year.

Hon. R. A. Bell (Carleton): I have a supplementary question, Mr. Speaker. Is it the minister's intention to introduce a further bill to amend the Income Tax Act dealing with those budget resolutions which are not contained in Bill C-216? If not, are we to assume those budget resolutions have been dropped?

Mr. Sharp: No, Mr. Speaker. There are some sections of the resolutions, particularly those dealing with deferred profit sharing plans, which have proven to be extremely difficult to translate into legislation, so rather than hold up the bill which contains some provisions which should be enacted immediately it was decided to introduce legislation later, to cover these resolutions. I have no intention of dropping any of the proposals.

Mr. Bell (Carleton): At this session?

BANK ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

The house resumed, from Wednesday, July 6, consideration in committee of the following resolution—Mr. Sharp—Mr. Batten in the chair.

That it is expedient to introduce a measure to provide for the decennial revision of the Bank Act and the extension of the charters of the existing chartered banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the act.

Mr. Basford: Mr. Chairman—

Mr. Knowles: I rise on a point of order, Mr. Chairman, which concerns something about which we had an agreement at a house leaders' meeting earlier today. I am sorry the point was not raised while the government house leader was present. It has to do with the length of time remaining in this debate, which is one hour and nine minutes. Hon. members will recall that at the start of this session when we amended the rules so that the Prime Minister and Leader of the Opposition would not be limited to a 20-minute period at this stage of debate, it was agreed that if either of them took more than 20 minutes that time would be added at the end of the debate.

I may say, Mr. Chairman, that at the house leaders' meeting this morning there was no contention or argument about it at all. It was agreed that the 37 minutes extra that were taken between them by the Minister of Finance and the Leader of the Opposition would be added at the end of this debate, thus making it possible for two more speakers than would otherwise be the case. I am sure the house leaders who are present can confirm this agreement.

Mr. Starr: I think the time just taken by the hon. member for Winnipeg North Centre should be added to that time also.

[Mr. Bell (Carleton).]

The Chairman: The standing order which governs the time allocated to this debate is standing order 61A which reads as follows:

When a resolution preceding a bill involving the expenditure of public money has been referred to the committee of the whole house, the time allowed for consideration thereof in such committee shall not exceed one sitting day. For the purposes of this standing order, such a resolution shall be deemed to have been considered for one sitting day, provided the order to go into committee of the whole house is called as the first item under government orders on a Monday, Tuesday, Thursday or Friday, and provided it is continued, if necessary, until the normal time of adjournment on any such day. Such an order having been called on any Monday, Tuesday, Thursday or Friday, it shall have precedence over all other business until the time of adjournment on that day, unless it is disposed to earlier. Under any other circumstances, a total of five hours shall be deemed to be the equivalent of one sitting day.

This is the standing order by which the Chair is governed. If, however, it is the wish of the committee to do otherwise, I shall of course carry out the necessary procedure. Up to this point the Chair has not been advised of any agreement having been reached, other than what has been said in the committee this afternoon.

Mr. Pennell: On behalf of the government house leader I am pleased to concur in the statement made by the hon. member for Winnipeg North Centre.

The Chairman: Does the committee agree that the extra 37 minutes be added to the time allotted for this debate?

Some hon. Members: Agreed.

Mr. Basford: I just hope the five minutes taken to reach this agreement will not be taken off my time. When I was caught by the clock last night I was dealing with the Porter Royal Commission and expressing some criticism of that and other commissions making recommendations in a constitutional void, that is to say, making recommendations for action without careful study of the constitutional considerations which apply to their recommendations. I was even more startled by the remarks yesterday of the hon. member for Kamloops, who gave us a very interesting and learned discourse on banking and financial policy. He did so in the never, never land of constitutional unreality, because he called for a number of reforms and courses of action without reference to the British North America Act.

For example, the hon. member did what the royal commission did and called for far greater control over what has become known as near-banks. I take it that the hon. member for Kamloops, in referring to near-banks, was referring to deposit-taking institutions. I should like to inform him, Mr. Chairman, that there are in the country only eight federally incorporated trust companies which are doing approximately one-third of the trust business in Canada. The huge trust companies such as National, Montreal, Royal, Crown and Trust General are all provincial institutions. I hope the hon. member for Kamloops is not suggesting that at the moment we in this house have the constitutional power to deal with those trust companies or near-banks.

We also have federally incorporated mortgage loan companies under the Companies Act. There are, I think, some 12 of those, some of which are deposit-taking institutions. They are doing two-thirds of the business, leaving about one-third for provincial institutions. I say, with regret, that we in this house do not have the power to pass amendments to the Bank Act to deal with these provincial institutions.

I am one of those, and I am sure the hon. member for Kamloops is, who favour more uniformity in our financial legislation and greater regulatory powers to deal with the various banks, near-banks, finance companies and loan companies. However, I say it is unrealistic for the hon. member for Kamloops and other hon. members opposite to make suggestions without reference to the constitution. I would remind them that we are discussing the revision of the Bank Act, not the revision of the British North America Act. Much as that act, in my view, needs amending and revising, much as the constitution needs revising, we are dealing with the Bank Act and not the constitution.

Mr. Fulton: Will the hon. member permit a question?

Mr. Basford: I am very limited as to time and perhaps I could answer the question at the end of my remarks.

Mr. Fulton: It is a short one. The hon. member is aware—

Mr. Basford: I am sorry, but my time is limited. I would hope we could have a revision of the British North America Act. Possibly if it were not for the stand the right hon. gentleman opposite took in this house some time ago with regard to what had become known as the Fulton-Favreau formula, we might now have in Canada a formula for amending the constitution.

The hon. member for Kamloops and other hon. gentlemen opposite have also made reference in the course of their speeches to the collapse last year of Atlantic Acceptance Corporation and British Mortgage Corporation which caused real concern in the financial community in Canada. This situation is of great concern to all of us. Surely the hon. member for Kamloops does not suggest that we in this house have the power at the present time to pass legislation dealing with a corporation like British Mortgage Corporation.

• (3:40 p.m.)

I think that the course suggested by the minister in introducing the resolution, in which he called for a federal-provincial approach to the problem of getting greater uniformity in our financial legislation, is the only approach that can be taken at this time. Hon. gentlemen opposite seem to have forgotten or have completely left unread the statement by the minister which appears at page 7233 of *Hansard* for July 5 when he said, in stating government policy:

> As part of the long-term policy to promote competition and flexibility in the financial system, it is desirable that progress be made in the legislation governing all financial institutions, both federal and provincial, and that the measures taken in regard to the various classes of institutions should be related to one another in such a way as to achieve this broad objective.

Then in a later paragraph he said:

> Officials of the federal and provincial governments have recently met to discuss these and related matters. Out of this activity of both levels of government will come, I trust, a broadly integrated approach designed to improve our financial system as a whole so that it can better serve Canadian individuals and Canadian business.

In view of our constitution I think that is the only approach that can be taken to this question of uniformity.

As chairman of the special joint Senate-House of Commons committee investigating consumer credit, I am sure that that committee, which is now writing its report, will have a good deal to say, judging by the evidence it has heard, about the need for uniformity in legislation and the need for legislation. It will be making recommendations dealing with federally-incorporated small loan companies and federally-incorporated finance companies. But until the report of the Senate—House of Commons committee is before the house I

suggest it is too early to do something about the matter right now. That committee has carried on an exhaustive examination into the situation, and I think its report should be awaited by this house and by the Minister of Finance.

However, Mr. Chairman, I welcome the minister's statement that there will be a federal-provincial conference on the question of consumer credit. The question of interest disclosure, or truth in lending as it is often called, has become one which raises very difficult federal-provincial considerations. The recent decision of the Supreme Court of Canada, which I think put a very restrictive meaning on the word "interest", has further complicated the situation when dealing with actual consumer costs. Interest, in its restrictive sense, is only one small part of the total consumer credit cost and unless we in this house have the power to deal with interest and finance charges as a cost to consumers, we will be in difficulty.

We have seen other provinces taking action in the consumer credit field. I refer to Ontario, Alberta and New Brunswick. We in this house and the federal government itself have some constitutional authority in this regard. I would hope that we have a great deal, but the extent of our power is somewhat in question at the moment. Therefore, if we are to have a total approach to the protection of consumers against those who want to charge exorbitant and excessive consumer finance charges, we will need an integrated and co-ordinated federal-provincial approach which can only be arrived at under the aegis of a federal-provincial conference.

In referring to the revisions of the Bank Act I should like to make reference in the short time allowed me to only two other points. One is the right of banks to enter the conventional mortgage field and to take as security mortgages on real property.

We have heard from members opposite contentions that the revisions of the Bank Act must protect the little man or be concerned with the little man, and we have been criticized because our revisions do not do this. I suggest that one aspect of the revisions does take into account very seriously the situation of a great many small home owners in the country. During the period 1954-59 the chartered banks of Canada acquired a great many National Housing Act mortgages. The banks invested a great deal of their funds in this type of security. As the interest rate on National Housing Act mortgages went up, the banks withdrew from this field and at the present time are virtually not lending any money for this type of mortgage because the interest rate on such mortgages exceeds the 6 per cent ceiling.

Under these revisions, Mr. Chairman, the banks will be allowed, as I think they should be, to take up this type of mortgage business again. A great problem is being faced by the many small home owners in this country who presently have their houses financed through National Housing Act mortgages. When they come to sell these houses they sell them on terms of cash to mortgage. As these mortgages are reduced or become amortized, it becomes increasingly difficult to get terms of cash to mortgage unless the homes are refinanced with another mortgage, which is not available from the banks today. Allowing the banks into this area will mean that home owners who are anxious to sell their houses and can only do so by refinancing will be able to refinance them through the present holder of the mortgage, namely, one of the chartered banks. By allowing the banks into this area, Mr. Chairman, we are also bringing about competition with the conventional mortgage lenders.

However, there is another important aspect which has not been mentioned in this debate. The chartered banks, by having thousands of branches across Canada located in every community, will be able to provide to people in those smaller communities mortgage services which are not available to them at the present time. Most of the big conventional mortgage lenders' offices are located in the large centres of Canada only and people living, for example, in Kamloops, Prince George, Nanaimo or Nelson in my own province have difficulty raising mortgage funds from conventional lenders. If the banks which are located in all these smaller centres are allowed into this area, this will provide the people there with a very much needed mortgage service.

Much has been said about the intimation of the minister that the bank interest ceiling rate will be raised. I suggest that this will increase the degree of competition existing between the banks and subsidiary lending institutions such as finance companies and loan companies.

I suggest that over the years, in building up what is undoubtedly one of the safest and most secure banking systems in the world, we have in fact placed our banks in a strait-jacket within which they must operate. I suggest that because the banks are in this strait-jacket, which we have imposed upon

them through legislation, the banking system of Canada is no longer serving the nation as it should. Because of this strait-jacket, we have seen over the years a fantastic and tremendous growth in near-banks, trust and loan companies and finance and acceptance corporations. At the same time, many of these corporations are filling needs which the banks must be allowed to fill if they are to serve the nation. Because of the strait-jacket into which we have put the banks, over the years they have become no longer able to fill the need for credit which exists. I suggest that we must remove or untie some of that strait-jacket and I contend that this is what the revisions will do.

Much has also been said by members on the opposite side of the house about the small businessman, the small farmer, the fisherman and the truck logger. I come from a province of such people, people who under the present Bank Act are unable by and large to go to a bank now and obtain credit or loans for their business operations in order to buy their trucks, farm equipment or fishing boats. Because of the restrictions imposed on the banks by the Bank Act, these people are forced into the hands of the loan sharks and acceptance companies, which are lending money obtained from banks at a low rate of interest to these farmers, small businessmen, truck loggers and fishermen at greatly increased and inflated interest rates. I suggest that by lifting the interest ceiling on the banks and allowing them to compete more effectively with the existing lending institutions, we will help these small people.

The Chairman: Order. I must advise the hon. member that the time allotted him has expired.

• (3:50 p.m.)

Mr. Hees: Mr. Chairman, one of the important objectives of the Conservative party is to do whatever we can to help bring down the interest rates which are paid by the average Canadian on the money he needs to operate his business or his farm, or for his own personal needs. We believe that this can be best done by bringing all lending institutions in Canada under the Bank Act, thus enabling them to operate under the same ground rules and to engage in all-out competition for the loan business of the Canadian people. We are convinced that this kind of competition will provide the lowest interest rates and the best service possible to the people of this country.

All financial institutions can be brought under the Bank Act by consultation with and co-operation by the provinces. It is just a question of sitting down and explaining what we have in mind and what objectives and benefits are to be derived therefrom. The provinces are just as anxious as we are to have the lending institutions under their jurisdiction come under the provisions of the Bank Act, because they know that this will make possible a general lowering of interest rates charged on loans to the people they represent in their provincial jurisdictions.

We all know that the interest rates which are charged on loans vary according to the security which the borrower is able to put up to secure his loan. Because of the differences existing in the various kinds of security that borrowers can provide, naturally there is a wide variation today in interest rates charged in all parts of the country. In merchandising goods and services, practice has clearly proved that prices are lower and service to the customer is better where competition for the customer's dollar is the keenest.

The same principle applies, of course, to the business of lending money. It was for that reason that the Porter Commission recommended that the best way to ensure the greatest availability of loans to the public and the lowest rates of interest on all types of loans would be for all lending institutions in Canada to be brought under the Bank Act. In this way, when this is done, they will be in a position to compete freely and fairly for the business of those who wish to borrow money in this country. Having talked to officials of a number of our chartered banks I know, as I am sure other hon. members know, that the banks would welcome this kind of competition against the near-banks for the loan dollar of the Canadian people.

In fields where greater competition between the banks and the near-banks has been allowed for instance, in the personal loan field, rates have been reduced very materially from somewhere around 18 per cent to approximately 10 per cent, which is a very important reduction indeed. If this kind of competition were allowed to take place for all types of loans the interest rate on the great majority of loans would be greatly reduced by the far greater competition which there would be for this business.

We in the Conservative party agree with the recommendations of the Porter Commission which was established by our government some years ago to develop thinking and

recommendations for such time as the Bank Act would come under revision. We strongly condemn the present government for not carrying out the recommendations of that commission, recommendations which were clearly and carefully thought out after many months of extremely hard and careful work. We condemn the government for not incorporating the commission's recommendations in the legislation now before the house.

Turning to the resolution we are debating today we see that it provides for a raising of the bank rate according to a formula which is not based on any business principle geared to the needs of business or agriculture. We are reliably informed that the formula was worked out a very short time ago after a great deal of controversy within the government and is geared far more to bringing harmony to the warring factions within the government party than to any business or economic need. This resolution completely disregards the most important recommendation contained in the report of the Porter Commission, which was that the removal of the interest rate ceiling must be coupled with bringing the near-banks under the Bank Act.

Today, Mr. Chairman, as we in this house know very well, industry and agriculture in all parts of the country are suffering from the tight money policy which has been imposed by this government. This policy is making it impossible for many farmers and businessmen to obtain the capital they need to carry out the normal business expansion they must carry out each year in order to handle the additional business which a growing economy in a country such as Canada makes available to them. If they are not able to expand and take advantage of the additional sales which they could otherwise make, these sales, particularly in the export market, will go to other customers in other countries and they will be very difficult, if not impossible, to regain.

Anyone who has been in business knows that once a customer becomes used to dealing with somebody else, he will very likely find out that the other person can provide just as good a standard of service, or perhaps better, than you can, and the customer tends to remain with the other supplier even though you are able to come back into the market and offer him your goods again. The only way that our farmers and industrialists can cut costs and thereby make a better return on the capital and labour they put into their operations is to expand production and, by making use of the economies of scale, cut their initial costs as much as possible.

We in the Conservative party are convinced that the proper role for government to play in business and agriculture today is to help these people about whom I have spoken help themselves in every way possible. We believe that the government should be assisting our businessmen and our farmers in every way possible to expand their operations, thereby providing more jobs for our people and more prosperity for our country.

We believe that the best way to do this is to take steps to provide adequate credit at the lowest possible rates of interest. This, we are convinced, will be done if all our financial institutions are brought under the Bank Act, as was strongly urged by the report of the Porter Commission. If this is done these financial institutions will be able to enter into fair and wide open competition for the lending dollar of the Canadian people. This, we are convinced, will result in the average Canadian being able to borrow the money he needs at a considerably lower rate of interest than he has to pay today.

We in this party have decided that when this government does decide to follow the recommendations of the commission that was set up to give very deep and penetrating study to this matter and when it decides to bring the near-banks under the Bank Act and thereby make possible a general lowering of interest rates by greater competition, we shall then be very pleased indeed to support this measure. Until then we intend to oppose it.

• (4:00 p.m.)

Mr. Sharp: Since the hon. gentleman's time has not expired I believe, may I ask him a question? I followed his remarks with great interest. I was not clear on one point. Perhaps he could elucidate to me the connection between bringing these institutions under the Bank Act and the maintenance of competition. I failed to follow the argument there.

Mr. Hees: If all our lending institutions are not brought under the Bank Act, and if they do not operate under the same ground rules, some of our financial institutions will be faced by unfair competition from other members of the lending community. The competition will not be fair, free and wide open. As the Porter Commission said, the only fair way in which all our lending institutions can

compete, and the best way to make sure we get the greatest possible competition and the lowest possible rates of interest, is to bring all these lending institutions under the Bank Act.

Mr. Saltsman: Mr. Chairman, it is always strange to hear a minister being criticized for doing what the critics are accusing him of not doing. If there is any criticism to be made of the minister it is that he has slavishly followed the Porter Commission recommendations. If we examine the proposals he has introduced we will find they have been taken almost word for word from the report of that commission. The argument about whether or not near-banks should be brought under federal jurisdiction is, I suspect, a piece of camouflage.

Mr. Sharp: Hear, hear.

Mr. Saltsman: Perhaps hon. gentlemen opposite should save their applause; I have some things to say about which they may feel differently. The advisability of bringing near-banks under federal jurisdiction is questionable at this time though one might well be tempted to ask the government why it does not try to do so. The government has indicated its intention to introduce this legislation and there will be time in the months ahead to consider carefully what precisely is meant by "bank" and what authority the federal government possesses in this field. These questions might well be referred to a court which could adjudicate upon them, because I think definitions of this kind are badly needed.

With the exception of the hon. member for Vancouver-Burrard, who hinted at it, everybody seems to have overlooked the fact that the federal government does have clear-cut jurisdiction over interest rates under the British North America Act. If the federal government were really serious about regulating the financial institutions of this country it would have no need for any jurisdiction or authority beyond that which it already possesses.

I suggest to the minister that the federal government could, if it wished, control interest rates throughout Canada and that it is within the framework of its authority to do so. If the minister does not do so in this particular case, it is a clear indication that he has no intention of using control over interest rates in order to remedy national problems as he sees them.

We should be well advised to take a careful look at the sugar-coated pill which the doctor is introducing into this house and intends to administer to the Canadian people. He has made some accommodations. He has suggested certain reforms which are long overdue, and in these areas some credit is due him. I have in mind particularly the hidden reserves of banks. For the first time in Canada we have a Minister of Finance who is beginning to realize that this business of hidden reserves has not always worked to the benefit of the Canadian people and of the tax collectors of this country. I am pleased an attempt will now be made to obtain disclosure of information concerning the relationship between profits and hidden reserves.

The sugar coating covering this measure does, however, hide an extremely bitter centre. At the core of this entire measure is the question of interest rates. Whatever may be said about the fringes, at the heart of this legislation is the question: what will happen to interest rates? Will they rise, will they fall, or will they be allowed to float with the market?

What is happening here is typical of what is happening to the Liberal party. By permitting this legislation to come forward as an instrument of their policy the Liberal party is moving unequivocally to the right. Any idea that there might be a left wing or reform movement within that party should now be completely dispelled. I do not hold the minister responsible for this. The Minister is a right-winger; he has an integrity of his own, and what he has brought in is a right-wing policy.

I listened with some sadness the other evening to the hon. member for St. John's West when he talked about the needs of his particular area, criticized some members of this house for wishing to return to a laissez-faire economy and welcomed the fact that the government was prepared to play a role in Canadian finance. Mr. Speaker, this is exactly what is not happening. Perhaps the hon. member for St. John's West should have a heart to heart talk with the Minister of Finance. What his minister has in effect said is that we are now returning completely to a laissez-faire economy. The controls which now exist will be dropped in favour of market regulation and the only restraints, the only restrictions, will be what the traffic can bear and what the market will accommodate itself to accepting.

Our economy has its problems and it is interesting to see the way in which the minister, after an analysis of those problems, has arrived at solutions. Questions have been asked in the house many times concerning the shortage of mortgage money in Canada. We know there is such a shortage. We know the cost of mortgage money has risen. The minister's answer to these questions—and he has only one answer—is: First, we shall raise the ceiling, then we shall free the rate and the competition will take care of the situation.

I suggest to the minister that this is not what will happen. In some circumstances such as a major recession—and I suspect the minister knows the circumstances—the applying of these rates in an economy where some elements are competing fiercely for money might lead to those levels finding a proper and just point at which to settle. But we are moving toward a managed economy to a considerable extent, an economy within which no government will permit a serious recession to take place. It is obvious that interest rates cannot be completely fluid in circumstances of this kind.

We know the banks are lent out. All financial institutions are lent out. How will the minister get more mortgage money unless it is diverted from other sources? How will he get cheaper money in the circumstances he is developing for us? If the bank rate in this situation is freed from restriction or permitted to increase, I have no hesitation in saying that Canada will face the highest interest rates, the highest cost of money, in all history.

• (4:10 p.m.)

Nobody can say where that level will settle, whether it will be 1 per cent more, 2 per cent more, or what. If in this situation the bank rate goes up by 1 per cent you may rest assured that the trust companies, the near-banks and other financial institutions will increase their rates by that differential and in effect what you will have is a competition for money.

Mr. Sharp: Would the hon. gentleman permit a question? I am very interested in his comments, and I think this is something that seems to engage the attention of his party more than anything else, namely, whether one moves to the right or to the left. Is he suggesting that the members of the Porter Commission made their recommendation because they unanimously favoured a move to the right?

[Mr. Saltsman.]

Mr. Saltsman: I do not know the members of the Porter Commission. However, I have read their recommendations and if ever I have seen recommendations suggesting a return to a laissez-faire economy they are the recommendations of the Porter commission. Whether they knew they were doing this I do not know. However, the minister has followed them quite faithfully, and this is my conception of a return to what I would have thought was an outdated doctrine in the 20th century.

Mr. Sharp: Does the hon. member think that Mr. Gordon L. Harrold and Dr. W. A. Mackintosh, distinguished members of the commission, would have recommended a turn to the right?

Mr. Saltsman: Mr. Minister, you too are a very distinguished member of this house despite the fact that you are a right-winger. Being a right-winger does not make you any more or less distinguished. It is merely an indication of the way you think.

Returning to the question of mortgage money I would refer to an article in the *Financial Post* of July 22 headed "Mortgage Drought Is A Red-Hot Issue Now," which quoted a Toronto businessman as saying:

> I won't pay 7¾ per cent—8 per cent for a mortgage. If I can't do better, I'll have to forget about buying a house for the time being.

I assume that Toronto businessman is doing a little better than the fellow who works in a factory; yet he cannot afford to buy a house now. So what happens to the fellow working in a factory if interest rates go up, and they will go up under the conditions described by the minister?

If interest rates on mortgages increase from 7 per cent to 8 per cent this means a difference of $106 per year. In other words a 1 per cent rise costs the home owner $106 per year. Translated into weeks this comes to $2 extra per week. But if the working man goes out and says he needs more money, then everybody in the country suddenly throws up their hands at the spectacle of the dreadful working man asking for more money.

From the viewpoint of inflation, how much more inflationary can anything be? Take that extra cost in every business and pass it on to the consumer and you really have got a cost-wage spiral position, and there will be nobody to blame but the minister for introducing this kind of legislation. I hope the minister will remember this if he hears the cry that the working man needs more money and is asking for more money. In that case I

hope the minister will be very sympathetic to the working man's demands. He should be, because if this legislation goes through in its present form he will be largely responsible for the inflation that will take place.

The minister says that the necessity of removing the ceiling on the rate is so that small businessmen will be not be the victims of loan sharks. This is very commendable and I appreciate the minister's concern for small businessmen. Everyone in this chamber shares the same concern. But is the minister really helping the small businessman? Has he discovered the percentage of small businessmen who are really going to the sharks and paying high interest? If the minister would take a statistical look he would find that the vast majority of small businessmen still go to the banks and get accommodation from them. If the bank rate is raised the vast majority of small businessmen will be hurt, and the increased cost they will pay for money will be passed on to the public.

If the minister wants to correct the abuses that exist in the system, and there are abuses, I again mention the remedy I suggested which is within the minister's jurisdiction, namely, control interest rates in Canada. The federal government has the authority to control them. We can do it in the same way as we do under the Small Loans Act and the Moneylenders Act. If the minister is going to have a managed economy from the fiscal point of view he should also consider it from a monetary point of view, and I suggest this is a more useful instrument for ensuring that Canada would not become an expensive money country, certainly more useful than freeing the rate and letting the market determine what interest rates should be.

We have also heard that the bank rate has to be freed in order to help consumers who borrow money. On this point I might digress for a minute to say that one of the most salutary events that has taken place has been the entry of the banks into the consumer lending field. They have done an admirable, excellent job despite the fixed 6 per cent interest rate. As we all know, that rate is not maintained in this field. The banks cannot engage in that kind of business at 6 per cent, but their entry into this field has been most useful. It should be encouraged. But why do we have to take the interest ceiling off in a blanket way? Why remove it completely?

Why couldn't the banks be freed of the ceiling in the area of consumer lending and allowed a special rate? Even in the area of mortgage lending they could have a special rate. There is no reason to believe that the banks have to be either restricted or completely free. There are intermediate ways of accomplishing the necessary objectives.

However, the minister has taken a look at a situation that needs correcting and has come up with a one-note answer—free the interest rate. This is supposed to be a new panacea, but it is only a return to 18th century mercantilism. That is not good enough. If the minister is doing this with the thought in the back of his mind that by making Canada a high interest rate country he can attract foreign capital, then he had better tell us so.

Because my time allotment has almost expired I want to reserve the last few minutes for a brief summation of what I think the effects of the Bank Act revision will be. To remove the interest ceiling without proper safeguards is to raise the cost of every single thing in this country. It is to put the cost of money in Canada at a height it has never achieved previously, and one that no one at this point can calculate. Interest rates of 8 per cent and 9 per cent on commercial lending may be possible through this type of approach. The present 6 per cent ceiling on the banks may be rigid, may in some ways be unfair and may require some changes, but to remove the only protection we have and not bring in some other assurance that there will be regulatory factors in the economy, is to invite a disaster of the greatest proportion for everyone who uses and needs money in Canada.

• (4:20 p.m.)

If the minister feels that some rates have to be increased then the minister alone should not determine what that increase shall be. He should set up a board to which those who require the increase, and who can present a good argument for it, can come, and it can then be decided in the national interest whether such an interest rate should be permitted. One way or another an increase in the interest rate will affect the entire cost of living in this country. Everyone, whatever he may do and whatever he may buy, will be affected because interest rates are as much a component in the cost of products as is labour. If he is concerned about low-cost housing he might as well forget about it. It will be dead. There will be no low-cost housing and there will be no medium-priced housing. There will only be high-cost housing in this country.

The Deputy Chairman: I regret to interrupt the hon. member but the time allotted for his speech has expired.

Mr. Saltsman: Mr. Chairman, I wonder whether I might have the indulgence of the house for a minute.

The Deputy Chairman: Is it agreed that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Saltsman: Thank you, Mr. Chairman. I should like to thank all members of the house. I shall be only a few minutes more. Every cost of government borrowing will move up. The taxpayers will have to share this burden. Municipalities will find that bonds will rise with the rise in the bank rate. We will reach a point where either we will be paying far more than we should for municipal government developments or we will not be able to afford them at all.

In short, then, unless a regulatory body to control interest rates is brought in or unless the federal government is willing to set a ceiling on interest rates throughout the country I, and I am sure many other members of this house, will not be able to support the proposals of the government.

• (4:30 p.m.)

[*Translation*]

Mr. Forest: Mr. Chairman, it was important to introduce before the recess the resolution dealing with the decennial revision of the Bank Act and the extension of the existing charters until July 1, 1976.

After first reading, all those who are interested will have the opportunity to study the bill. And, as stated by the Minister of Finance (Mr. Sharp), they will be able, later this fall, to express their views and recommendations to the committee on finance, trade and economic affairs to which it will be referred.

This bill affects practically all Canadians, because banking operations play a vital part in our economic and social life and our banks must be able to play that part without being hindered by obsolete legislation which does not take into account today's economic realities.

Our banking system is fortunately, as mentioned by several hon. members, one of the best in the world, but it is certainly possible to improve it to the greater benefit of the people in general. It is readily agreed that our banks play a very important role. And our hopes for greater economic independence in the future may depend on the way the government will legislate in the banking field. We are already late in making this revision, but in 1964 when the bank charters expired, it was necessary to extend them in order to be able to study the long and complex report which the royal commission on banking and finance had just submitted.

It is a very detailed and exhaustive study which constitutes an excellent work of reference and the fact that it is approximately seven times heavier than the MacMillan report published 30 years ago shows to what extent our financial system has become complicated.

Of course, that shows the commissioners' very commendable preoccupation to present a complete report. In 1965, the adjournment of both houses prevented the study in committee of the bill after the resolution stage. After what the Minister of Finance has said, it seems that the government has decided to limit and prevent foreign control of Canadian banks. And that decision will meet with the approval of all those who take an interest in our economic future, because previously nothing prevented a foreign bank from acquiring an important part of the shares, if not all of them, of an existing Canadian bank.

If, on the one hand, customers could derive some benefit from the fact that those banks might bring new ideas and initiatives, a different way of doing business, however, they would certainly be less receptive and sympathetic when it came to following the recommendations and suggestions of the Canadian authorities as pointed out in the report of the Porter commission.

Moreover, it would be disastrous for many Canadian businesses whose operations might be transferred elsewhere. If a bank, for instance, were controlled by American interests, it could then easily obtain the patronage of a Canadian subsidiary, of a company which would already be its customer in the United States.

The government wants to encourage the greatest competition and variety possible in the service of loans and savings to meet the needs of Canadians during the next decade. And this can be done by allowing an increase in the number of banks in Canada; the government has wisely decided that the new banks will have to be in the hands of Canadians.

It had been recommended by the royal commission on banking and finance, which is based on the experience of several generations of banking transactions, that the Bank Act be extended so as to include several institutions which are not subject to it now, and which are under the provincial jurisdiction instead.

It is certain, Mr. Chairman, that several of our institutions could come within the banking system without its soundness being affected, and they would benefit thereby, but the important question of the constitutionality of that measure must be taken into consideration and the government has taken a wise course in attempting to incite them to come freely within our banking system. This is certainly a field where there should be co-operation and consultation between the various levels of government.

The minister has given to understand that the provinces or their agencies will henceforth be allowed to invest in bank shares without voting privileges and I think he is well advised to open such an investment opportunity to provincial funds, because normally a province or one of its agencies should be empowered to invest all their funds in gilt-edged bank stocks and there is no reason to deprive them of this right in the present circumstances.

The minister has also announced a federal-provincial conference on consumer credit this fall and I hope that, by then, it may be possible to come to an agreement to require all credit firms throughout the country to indicate and clearly publish the actual interest charges, so that all credit institutions, whether under federal or provincial control, may be on the same footing and obliged to disclose the actual rates charged to the customer for any given period.

The Minister of Finance is providing for changes in the reserves which the chartered banks are required to maintain with the Bank of Canada and it is his intention to reduce these. Such reserves, made up of an 8 per cent statutory reserve and a secondary reserve equivalent to 15 per cent of all deposits payable in Canadian funds held by the chartered banks, leave them in an unfavourable position as regards the competition of other banking institutions not subject to such restrictions, and the royal commission has recommended a lowering of the cash ratio. Considering that the protection of the depositing public is involved, I hardly think there can be any question of eliminating them.

It was also announced that the government intends to prevent the directors of a bank from sitting on the board of another bank, and also to prohibit all agreements between banks on the interest to be charged on loans or to be paid on deposits and this measure should encourage free competition between such institutions so that the public may benefit from the best possible yield.

Because of the ceiling on interest rates and of other restrictions in the Bank Act preventing them, for instance, from granting mortgage loans, the banks closely associated themselves with trust, mortgage, loan, investment companies and others. It has been specified, I believe, that chartered banks will not be allowed to have more than a 10 per cent equity ownership in a Canadian corporation. It may be necessary to read the bill to obtain further details, but through the amendments to be made to the act, banks should not find it necessary to get involved so much with competitive financial institutions. In order to promote competition, it is necessary to control the purchase of shares, mergers or the establishment of subsidiary or satellite companies.

Mr. Chairman, I do not want to discuss all proposed or commendable amendments, but rather deal briefly with the two main questions of greater concern to the average citizen and which seriously hinder free competition: first, the interdiction to grant mortgage loans, a provision to be deleted, and then, the ceiling on interest rates which is being changed and may be adjusted according to the economic situation of the country.

The fact that banks will be allowed in the future to grant mortgage loans at the current market rate is welcome news, because the present situation was unsatisfactory, both for the public and for the banks. The latter never had that power, except since 1954, with the exception of loans granted under the National Housing Act. They did not hesitate then to enter into that new field and loaned over one billion dollars, which proves that with their network of branches throughout the country, they can render tremendous services to the people in that connection.

However, when the rate of interest on such loans was set at more than 6 per cent, they had to withdraw from the market, due to the ceiling being imposed on them. The coming of banks into this important segment of our

economy will promote greater competition and activity and will contribute to check any increase in interest rates by making available new capital in the field of mortgage loans.

This will also allow them to improve their commercial loans services, particularly with regard to small businessmen who, thanks to this additional guarantee, will be able to borrow greater amounts and more easily from the banks, at a rate certainly more advantageous than elsewhere. Big mortgage companies undeniably grant loans more easily in large cities than in small municipalities and distant regions. Local institutions such as credit unions, which are familiar with the needs and characteristics of a given region, give very efficient service there, and the banks, thanks to their branches here and there, will also be able to help decentralize mortgage funds and balance investments in the various regions.

I also hope that, in the future, private institutions, like those of the government, for example the Industrial Development Bank, will expand and improve the services they give small enterprise by putting at their disposal economic and technical advisers and giving them financial information and advice, so as to help them manage and control their business better. This legislation concerning mortgage loans will be welcomed by all and will undoubtedly improve service in this respect.

Mr. Chairman, according to what the hon. Minister of Finance indicated, the 6 per cent ceiling on the bank rate will be periodically readjusted until conditions on the money market improve, when it can be eliminated.

In introducing the resolution in May 1965, the former minister of finance had specified that, if there were a general increase of the rate of interest in the future, the government would then review the situation. Since then rates have increased considerably, quarterly treasury loans, for example, increasing from 3.82 in 1965 to a recent 5.10, and rates of interest must now be considered in a totally different perspective.

Nobody can dispute, Mr. Chairman, that the existing rate of 6 per cent does not correspond to the current rate: indeed, it was set up during a period when the conditions of the capital market were very different from what they are today. It favours the use of indirect means and the multiplication of related financial institutions that escape that ceiling and are not under the control of the federal authorities.

[Mr. Forest.]

The current rate of 6 per cent applicable to commercial loans, that is loans to small businesses, small industries and small businessmen, works against those whom the law intends to protect against the abuses of lenders, and compels them to turn to companies charging higher and often excessive rates of interests. One needs only to be convinced to read the reports of the finance companies which, in recent years, have multiplied average-term commercial loans. The progressive and controlled increase of the ceiling would certainly have the effect of balancing the capital market and, by extending the field of action of banks, the competition will help to limit that of institutions with much less control and responsibility than our banks.

The fear of those who anticipate a general increase of interest rate as a result of this measure is not justified and is indeed denied by the great majority of experts. The future will show, I am sure, that that fear was not founded. Such an increase in the ceiling would rather adjust and balance the rates. Actually, that was the main recommendation of the Porter commission; page 364 and the following pages of the report set forth major and convincing arguments in favour of a higher ceiling, and I quote:

> The 6 per cent interest rate ceiling introduces undesirable rigidity in the financial system and hampers and distorts the working of markets. It also has arbitrary effects on the institutions' competition for business and on their ability to serve the community well which were not contemplated when the ceiling was originally introduced and subsequently amended.
>
> We recommend that it be removed regardless of other changes in the legislation. The ceiling stands in the way of flexible lending by the banks in that it frequently prevents them from making loans on which higher rates must be charged to cover administrative costs and risks. Obviously, this is to the banks' disadvantage; more importantly, however, it discriminates against borrowers such as small businesses which, if they are to obtain funds at all, must turn to the other lenders which charge rates well above those the banks would ask if free to do so.

Mr. Chairman, another group of independent experts, the Economic Council of Canada, supported unreservedly that attitude, and in its Second Annual Review, page 187, made the following statement:

• (4:40 p.m.)

> More generally, to minimize distortions and instabilities in credit and financial markets, and to ensure easier access by homebuilders, consumers and small business to credit, various recommendations of the royal commission on banking and

finance deserve careful attention—including measures to promote more competitive credit conditions, and removal of the arbitrary 6 per cent interest rate ceiling which currently forces many small borrowers into loans at much higher rates.

The vast majority of financial and economic experts hold this opinion as well. It has also been claimed that banks already show large profits and that this measure will only serve to increase them even more. Now, the government can easily control them and reach them, through taxes on profits or otherwise; at any rate, it is not a logical reason for preventing them from playing a more efficient and more advantageous role with regard to the people generally, and the financial system of our country. This would be preferable to transferring those powers or leaving them to similar institutions at a higher cost to the public.

In order to enlarge their share of the market in the face of competition, banks will have to improve their services, make loans at reasonable rates and pay higher rates of interest on savings. In order to obtain additional funds, they will have to increase the rate of interest on deposits, thus benefitting millions of people who, as a precautionary measure and for security, entrust their money to banks. Incidentally, more open competition might be favourable to banks but, above all, the good of the community as a whole must be considered and promoted.

The Minister of Finance, who has already given us proof of his experience, his competence and wisdom, has once more formulated a realistic, practical and constitutional policy, to enable our banking institutions to make an even greater contribution to the progress and growth of our country; a policy that will also contribute to the economic and social well being of the Canadian people as a whole.

This act, Mr. Chairman, will bring progress to our financial system in its evolution, will give it greater flexibility, firmness, dynamism and competitive stamina; the Minister of Finance must certainly be congratulated.

Mr. Caouette: Mr. Chairman, I listened with interest as the hon. member who spoke before me talked about the banking system, about the services rendered by banks to industry, business, individuals, etc. Strangely enough, there seems to be an attempt to compare banks to other Canadian financial institutions; to compare a bank to an ordinary finance company, when the two are absolutely not similar.

Ordinary finance companies must have in their tills the amounts they can lend or wish to lend, while chartered banks do not have to have in the till the huge amounts they lend.

Last night, the Parliamentary Secretary to the Minister of Finance (Mr. Chrétien) spoke at great length on this resolution and on these amendments to the Bank Act. If the Minister of Finance (Mr. Sharp) has read the speech made by his parliamentary secretary, he must have died laughing this morning. His dear parliamentary secretary blundered, he contradicted himself flagrantly, he made about the most ridiculous speech ever delivered here in this house. Indeed he said:

This decennial revision will certainly be welcomed by the newspapers and the public as the most radical measure since the institution of the Bank of Canada about 30 years ago. It will likely increase the confidence of the public in our banking institutions and in any future decisions of the government concerning the monetary policy of our country.

And then he added:

It is easy to note that the Minister of Finance has decided to implement the necessary reforms for such a competition between all levels of financial institutions in Canada, and I think he should be very warmly commended.

A little further, Mr. Chairman, the hon. member for St. Maurice-Laflèche (Mr. Chrétien) stated:

The 6 per cent ceiling was adopted some forty years ago—

Well, 40 years ago the ceiling was at 5 per cent. A bank could not charge more than 5 per cent interest on a loan. Here he said:

Under the present system, Mr. Chairman, big borrowers definitely have an edge over small people who need money. As banks have become the cheapest source of capital supply for corporate and individual borrowers, since there is a 6 per cent ceiling on interest rates, there developed recently a practice which clearly discriminates against small borrowers.

And he went on to say:

Generally speaking, the small borrower who comes to a bank gets a loan at a rate higher than 6 per cent.

Please note that the small borrower who goes to a bank where the ceiling is 6 per cent manages to get funds at a rate higher than 6 per cent since the banks have found a legal way out. I wonder if the minister agrees with that. The banks have found a legal procedure which allows them to make personal loans at 9 and 10 per cent. It means that the small borrowers we are trying to protect by setting the rate at 6 per cent

are not protected at all by the present banking regulations. Such is the statement made by the secretary to the Minister of Finance last night: the ceiling is 6 per cent but legally the banks have succeeded in making loans at 9 and 10 per cent.

At the beginning of my remarks, I said that the banks are lending something they do not have. If a bank has a $100 million reserve with the Bank of Canada, it has the right under the federal legislation—and I am calling the Minister of Finance to witness what I am saying now—to lend $1.4 billion, based on the $100 million reserve with the Bank of Canada. And it has the right to ask for 6 per cent on $1.3 billion it has just created.

The bank has the power to do that. That means $78 million in interest for a year; $390 million for five years; and $1.56 billion for 20 years, whereas the bank had only $100 million in reserve with the Bank of Canada.

That is the power of the chartered banks in Canada. It cannot be compared at all with that of the other loan companies. And if the minister is so solicitous about the small Canadian borrowers, then instead of removing the ceiling on the interest rates charged by the banks, why does he not force the finance companies to reduce their usurious interest rates to protect the small borrower whom the government wants to protect, as it is trying to make us believe, with this bill.

Mr. Chairman, there is a way to help the small people, and it is certainly not by helping the big people to get bigger that you will help the small people. We live under a system where the big people get bigger in smaller numbers and where the small ones get smaller in greater numbers, and no solution is found to that problem. Let us reduce the interest rate and force the finance companies to reduce their interest rates instead of allowing them to charge 24, 20 or 15 per cent interest, and let us impose a ceiling on those companies.

• (4:50 p.m.)

Another thing could help the small borrowers: why does the Department of Finance or the federal government allow the banks to create a shortage of money and credit in Canada? Why? If the government assumed its responsibilities and told the banks: We need so much credit for the normal business of the country and you will create the credit or we will do it through the Bank of Canada. It would be a solution but the government does not do that. Instead, to help the small people, it allows the banks to increase the interest rate.

[Mr. Caouette.]

Another way for the government to help the little fellow would have been to stop gathering the savings of the small and average citizens, and to leave them in circulation. Instead of piling them up here, in Ottawa, the government should help, for instance, in lowering income tax. No, the government does not think of that. It introduces a bill to amend the Act. This is the greatest monetary reform since the creation of the Bank of Canada. Imagine, in the twentieth century, in 1966, to tell us that in the House of Commons. Why? Because the majority of government members understand nothing of the mechanism of chartered banks of Canada.

I understand that one may laugh but it is believed that the chartered banks are financial institutions like the Traders Finance, the Household Finance, the Beneficial Finance and any other finance company. But it is not true. The finance companies, the "caisses populaires" the savings banks, cannot lend more than what they have. However, the chartered banks can lend any amount even what they do not have. They can take my own savings and multiply them by 14 to lend to the public at 6 per cent. Six per cent interest on credit created out of nothing is not enough. That is what control by the chartered banks means in Canada.

I understand and I repeat it, the finance companies practice usury; I understand that. The government has the power to bring these people to book. Mr. Chairman, I realize that this bill in abolishing the ceiling on interest rates for chartered banks agrees to direct theft, legalized by the federal government. Instead of simply allowing the thief to remain as it is, it gives him the means to grow bigger. The small thief goes to jail. As for the big thief, the financier, let us allow him to charge more interest. That is the fine monetary reform of the federal government. It has been spelled out in full and explained by the Parliamentary Secretary to the Minister of Finance. The Minister of Finance himself said the day before yesterday that the rate of interest is too low and should obviously be raised to help such borrowers, and that banks must be able to compete with private lenders.

Mr. Chairman, what is to prevent banks from lending to whomever they please? I do business with finance companies, with Traders Finance.

We are told here: When the rate of interest is higher, banks will lend more easily to small borrowers. The borrower who wants a loan at 6 per cent and who does not seem to have all the security required by the bank does not get a loan. If the rate of interest were 8 per cent, does the minister think this man would then be able to get a loan? No. I know of one particular case where a man went to a chartered bank to borrow a sum of money to pay for a car. The bank manager told him: My friend, you do not have enough security for a loan. Then this person went to the Household Finance Company, borrowed the money to pay for his car, signed a promissory note attached to his contract including interest, insurance, and so on. Household Finance took this note to a Canadian chartered bank, whether the Royal Bank of Canada, the Canadian National Bank or the Toronto-Dominion. The bank accepted the note of this same man who was not solvent ten minutes ago and bought it at a discount rate of 85 to 90 per cent. This means that the finance company immediately got all of its capital plus part of the interest charged. Immediately. This man who, according to the bank, was not solvent ten minutes ago—how is it that his credit is better at 24 per cent? Why does the bank accept his note from the finance company, but not directly from him? Mr. Chairman, we will be told again that an increased rate of interest would allow banks to help small borrowers more. That is not true. The banks do not help the small borrowers but the big ones, as the Minister of Finance is well aware.

Mr. Chairman, the Minister of Finance made another point the other day. The banks must reveal their hidden reserves. They do not pay taxes on them at the moment. How would the minister force the banks to declare their hidden funds? What means would the government use. They do not tell us. We are told: We will take the necessary measures; we will request the banks to declare their hidden funds on which they do not pay any taxes at present.

Mr. Chairman, the minister nods his head. But by what means will he accomplish this, since the banks have done many things behind this government's back, and behind the former government's back? The banks have always played hide and seek with the government. And today, the minister tells us: We will force the banks to declare their hidden funds. By what means will we do so? Everyone has to declare his income. Everyone is supposed to declare hidden income; yet, a large number of Canadians hide money away. Not only banks, oh no. There are others still who do not declare anything to the government.

How is the government going to find out who hides money with a view to evading income tax? Mr. Chairman, the parliamentary secretary to the minister added this, yesterday:

> It follows that the 6 per cent bank loan market is available to two particular types of borrowers, that is small businessmen and industrialists.

What an amazing discovery.

> As banks are limited to a 6 per cent ceiling, there is absolutely no leeway possible.

Poor banks. Up against a depression. Will higher rates improve slums in Canada? Let the minister compare bank buildings in in Canada with the dwellings of little old Canadians who have to borrow money. Then you can tell me if those poor banks are to be pitied so. I have nothing against banks that deal with the public on a private basis, that is all very well. Provincial or federal governments, or school boards, should not have to kotow before a chartered bank that has the power to create credit 14 times the amount it holds in reserve. But let the Bank of Canada service public undertakings; and let chartered banks continue to serve private enterprise, not at exhorbitant rates of interest, not at rates without a ceiling, but at a rate that has a ceiling. When that ceiling was 6 per cent, banks did not starve to death. They knew no economic recession, they did not suffer. But the Canadians suffered.

Mr. Chairman, I maintain the monetary reform advocated by the Minister of Finance is nothing but a hoax. And some people believe in it. A while ago, a member made a speech on banks, on those poor banks which do not have the right to ask the same rate of interest as the small private companies. There was applause because people do not know what control banks have in Canada.

Mr. Chairman, Social Credit has a solution, it may still provoke laughter, but he who laughs last laughs best, because, Mr. Chairman, in the present system, with unrequited strikes right and left, if one seeks the root of the problem, one will find a question of money and credit and so long as the present or future governments fail to alter the present financial system in order to make money serve mankind instead of forcing mankind to serve money, grave days, dangerous days are in the offing for Canada as other countries of the world have experienced.

If we must perforce follow in the footsteps of world revolutions, very well. But if we can avoid this, if we can react soon enough to bring about monetary and fiscal reform so that money and credit may serve the people then, Mr. Chairman, we will have saved the country and specially the Canadian people, which is what counts in the long run.

Mr. Laflamme: Mr. Chairman, would the hon. member permit a question?

Mr. Caouette: Surely, Mr. Chairman.

Mr. Laflamme: Would the hon. member explain what he means, when he talks of making money serve mankind, instead of making mankind serve money and how he would proceed?

Mr. Caouette: The first step—and I shall not take up the time of my hon. friend from Red Deer (Mr. Thompson)—would be the distribution of a national dividend to each and every Canadian, to give them the purchasing power to go and buy the goods, the production of Canadians for Canadians. Then, money would be serving the people.

Mr. Laflamme: A second question, with your permission, Mr. Chairman.

Where are you going to find that dividend?

Mr. Caouette: At the Bank of Canada. My very good friend has still not grasped the idea, though it has been taught to him for 25 years.

Mr. Laflamme: I am sorry to say that I understand even less when I hear him talk.

Mr. Caouette: There you are. Dunces neither die nor fade away.

• (5:00 p.m.)

[*English*]

Mr. Thompson: Mr. Chairman, I realize the time left in the debate on this resolution is rather short so I will attempt to keep my remarks to a minimum in order to allow at least one other speaker to take part in the discussion.

The resolution before the committee provides for the decennial revision of the Bank Act, a revision which is already two years late, and will extend the charters of the present banks to July 1, 1976.

Apart from the remarks of the Minister of Finance, the details of the present legislation are not known. The minister has outlined his policies relating to the legislation which is to follow this resolution. He has enunciated some points with which we agree and some others which we do not find acceptable. But we do say that this resolution should pass in order that the legislation can come before us.

At this point I would urge the Minister of Finance—I believe that if he will do this all members of the committee will be in agreement—to refer the subject matter of this resolution to the standing committee so that it can get down to the hard work which must be done in coming to the highest common denominator of agreement so far as the legislation is concerned. After that work has been completed the matter can come back to the house for final decision. If this is done I am sure that much of the committee work can be accomplished while the house is in recess.

However, the passage of this resolution does not mean, and I make this very clear, that we are in agreement in principle with what may be the policies of the minister in the legislation. We are in agreement with the principle that the Bank Act must be revised and that this legislation must be passed before the end of this session. We in our party believe that the subject matter of this resolution should go to the committee as quickly as possible. We should not wait until after second reading before making such referral because there would not be sufficient time then to debate the decisions that are made in the committee.

Perhaps the most important revelation was when the minister said that the banks will be required to disclose their inner reserves. To this we give our complete agreement. These hidden reserves represent a privilege which has been grossly abused. Therefore we believe that the minister is to be commended for this announcement. Likewise, it is good that the different banks will be prohibited from making agreements on interest rates on both loans and deposits.

We in the Social Credit party also agree that the interlocking of bank directorates should be prohibited. We believe also that the relaxing of restrictions prohibiting banks from participating in the area of mortgage loans is fair and sound. The minister outlined his policies, some of which we believe are good. However, there are others with which we cannot agree.

The reduced cash reserves allowing flexibility in reserve requirements can only be fair if the near-banks are likewise brought under the umbrella of this banking legislation. If the Minister of Finance really means

that greater competition is a good thing for banking, then it seems to us that he must also include those institutions, other than credit unions and treasury branches, operating in the same areas as the banks, and they should be brought within the legislation controlling banking with which we will be concerned when this resolution has passed.

The second major area of difference, and the one which is the most vital in my opinion, is the decision to lift the 6 per cent interest ceiling on bank loans. With this we cannot agree. The banks have advanced a strong argument in favour of this policy. They have developed the argument that by lifting the ceiling on bank loans there would be a general reduction in interest rates. True, it would lower the interest rates presently charged on mortgages through trust and finance companies, which today are operating at rates of 8 to 12 per cent and in some areas even as high as 20 per cent and more. These interest rates are wrong. They are immoral and unjust. Yet we must seek to correct the problem at the top level and not just equalize the situation by raising the bottom level.

I believe that the desired objective of lower bank interest rates rather than raising them can be better effected by including those institutions which to day are operating at extremely high interest rates under banking legislation, so that the total picture of interest rates will be reduced. It is only in this way that we can help those sections of the economy which need help the most, that is, the small borrower, the independent businessman and the farmer, for whom today there is not adequate credit available.

Again we come back to the principle that this government actually lays down in its policies, those principles which affect the nation's monetary policy. While we hear so much about inflation today, the truth of the matter is that there is not too much money in the country. There is an inflation in prices. As this comes about there is a lack of money in the country and the section of the economy which needs help the most is not getting that help. Therefore we would say to the minister that it is essential that this section of the economy be our concern.

The banks today, Mr. Chairman, are not facing bankruptcy. Their facilities are the best in the land. All you have to do is to note the new buildings and the improvement in banking facilities which has been brought about over the last few years. Likewise, their profits are among the best in the country.

This does not mean that the banks should not operate at a profit. They should. It does not mean that we are not in favour of private banking. It is the best form of banking ever devised so far as the private sector of the economy is concerned. But it does mean that we must protect those areas of our economy which are not able to protect themselves and which do not receive at the present time the protection and justice they deserve.

If Canadians really believe in free enterprise, they must see to it that the financial institutions are allowed to operate in an equitable atmosphere of fair competition. But on the other hand, just by raising bank interest rates we are not going to make the operations of these sectors of the economy as equitable as they should be. Today some small businessmen, including farmers whom I know pay up to 24 per cent on money which they cannot get through the private banks, money which I think it is the responsibility of private banking to supply in addition to supplying the capital needs of big business and industry.

However, to oppose this resolution as it now reads would be irresponsibly because it simply states that which must be done. It does not state what is the actual policy of the government. Again I would urge the Minister of Finance—and I think he would receive the support of the house—to permit the subject matter of this resolution to be referred to the committee on finance, trade and economic affairs so that we can really get down to the hard work of discussion and hearing the necessary witnesses so as to arrive at what I described as the highest common denominator of agreement.

There are several other points of importance, Mr. Chairman. I should like to refer to the Porter commission report which has been called a dead report; at least, it seems so. However, there are a few important recommendations made by the commission which we may be in danger of forgetting.

Again here I must emphasize the need of some form of control over the near-banks. The British Mercantile and Trust Company collapse, after the failure of the Atlantic Acceptance Corporation, makes this an urgent question which has yet to be dealt with and which I trust will be dealt with as we go through this legislation.

• (5:10 p.m.)

What we need in Canada today is a desirable economy. Banking is the means by which this desirable situation within the economy

can be reached. I believe a desirable economy may be expressed as an economy which utilizes all modern methods of production but which at the same time offers equitable employment for all. I believe there is a national inventory of purchasable production which, when maintained by effective demand, would bring about a desirable economy. Effective demand is that which places in the population's hands the necessary purchasing power to buy those things that are necessary to make possible the standard of living of which we are capable, while at the same time solving the problems of distribution presently facing us. It is in this area, Mr. Chairman, where banking as it relates to the supply of money and to the supply of capital, which it is so imperative to have and which is actually the responsibility of the banking system, that this legislation is involved.

Finally, I would say that we must return to the part of sanity so far as our financial policy is concerned. The basic reforms which are talked about as being essential in our banking system are twofold. A permanent money supply is needed to cope in quantity with all sorts of needs. It is needed as a medium of exchange. With our tremendous potential in Canada and our tremendous know-how, there is no reason why our monetary supply for our monetary needs and our capital should not be adequate to develop to the limit that which we are willing to work at. Also, our financial system should be one that will distribute incomes to large numbers of our citizens so that everyone can have a certain reasonable standard of living quite apart from whether or not our citizens are able to obtain employment.

Again this comes back to a satisfactory money policy. I believe it is imperative for our banking legislation to be such as to provide for the supply of the public or social capital with which we have to build our bridges, schools, and hospitals. This is not capital which makes a profit, but it permits the development of the public sector of the economy without our having to pay the high rate of interest that we talk about in relation to the private sector where profits are permissible. Unless our banking legislation will permit the creation of that capital, and unless we can meet the needs of the people in supplying the required medium of exchange necessary to move, economically, that which we produce within our economy, an unnecessary burden will be placed on our people.

[Mr. Thompson.]

Therefore, Mr. Chairman, we again urge the minister to make sure that the subject matter of this resolution be referred to the committee where it can be discussed in appropriate detail in full debate.

Mr. Nasserden: Mr. Chairman, in rising to take part in this debate let me say that one cannot help but realize that once again the hon. member for Red Deer not only has swallowed himself, so to speak, but has reiterated the position that his party has taken over the last several months and even years in supporting the government when it finds itself against the wall.

Mr. Thompson: Could I ask the hon. member a question? Does the hon. member not agree that it is necessary to provide legislation to revise the Bank Act?

Mr. Nasserden: Mr. Chairman, I was very interested in the remarks made by the Minister of Finance in bringing forward this measure the other day. One must realize that as he spoke he was thinking back to what has happened in this country during the past several years and what is happening today. The Canada of today is very much different from the Canada that existed when this government came to office a few short years ago.

As we look at the remarks which the Minister of Finance placed on the record we realize that the actions proposed in connection with the revision of the Bank Act are heavily influenced by the conditions existing in Canada at the present time, which the minister and other members on the government side have referred to as abnormal. These conditions prevail not only in Canada but also in the United States. It is interesting to hear the Minister of Finance of this country proposing that we bring forward legislation to meet an abnormal condition but which will have a long-term effect on the nation as a whole.

I come from an agricultural constituency where new industries are being developed today and, as in many other parts of this country, we know what tight money is. I say to the government that raising the ceiling on interest rates under the Bank Act will not solve the problem of tight money in this country.

Reference has been made to the arguments put forward by this country's banks which say that they have a problem with respect to lack of money. One of the reasons why the

banks have this problem is the utter failure of successive governments to deal with the consumer finance companies of this country which today operate under scarcely any regulation. Let us take a look at the over-all situation.

The banks tell us that all the money they have is in circulation. The finance companies take up the balance of the lending field. Raising the interest rate simply will not by itself solve that problem. What is needed today is legislation to deal with the finance and other consumer credit companies of this country. Such legislation would save our people some of the money that the Minister of Finance proposes should be expended on higher interest rates.

One need only look at the increased cost of housing, of development and of almost every other factor in our economy to realize that if the resolution is passed, as the minister explained it in his speech the other evening, this nation faces an increasing spiral of costs such as it has never known in the years gone by. At the present time this government has the reputation of bringing about the highest cost of living in the nation's history. Apparently the government now wants the nation to have its highest interest rates in history, which will lead to an even higher cost of living. For these reasons I cannot see how any thinking member of the House of Commons can support this resolution before us.

There are other aspects I cannot possibly deal with in the short time available to me which have to do with the economic prospects facing this nation and also with our relations with the other nations of the world. Those nations demand that the action proposed by the government opposite be not taken at this time in our history.

For the last few days the Minister of Finance has been going around with a long face. We on this side and some hon. members on the other side of the house cannot help but know why this is so. The minister himself must have serious doubts as to the seriously detrimental effects that this legislation, if put into effect, will have on the economy of this nation now and in future.

Those who put their money into deposits should not expect the same returns that people who put their money into development are entitled to expect. The government and the minister suggest that we should pay a bonus to the person who is cautious, who is afraid to go out and try to develop this nation. That sort of thing is almost a denial of everything that we in this nation believe in. Another effect this legislation will have will be to attract tremendous amounts of money from across the border, which is something that hon. members opposite seemed to be worried about in the months gone by.

When a home owner pays close to $20,000 for his home and the rate of interest he has to pay is increased by 1 per cent, he is immediately faced with having to pay approximately an additional $200 per annum. Taking the amount he has to pay over a 30-year period it can be seen that the additional cost the home owner has to pay is more than the total cost of many homes built in years gone by.

• (5:20 p.m.)

We cannot but realize that this government not many months ago brought in amendments to legislation concerning farm credit which permitted an increase in the cost of credit to the farmers of this country. If the measure now before us were allowed to proceed there would inevitably be an increase in the cost of credit to those in the agricultural industry desiring credit for development.

But the man who cannot escape the consequences of higher interest rates, the man who cannot pass the cost on, is the man who carries a dinner pail. He, together with all those on fixed incomes and all those who must live on small incomes, has no redress. Once again in the measure before us we find the government loading down the man who carries the dinner pail with an additional charge on his income and one which he certainly cannot afford at this juncture in our history when Canadians are facing the highest cost of living ever known in exchange for the privilege of having a Liberal government.

I cannot but feel that regardless of where hon. members sit in this house, if they are to do their duty as protectors of Canada's financial soundness and her place in the world and help to provide a future for our citizens in their desire to earn a decent livelihood, they have no choice but to vote against this measure.

I believe the banks of this country have been doing a worth-while job. Today they boast, and we should take this into consideration, that they have made all the funds at their disposal available to the people of Canada for their use. If we study their

balance sheets we find they compare favourably with the balance sheets of other businesses in this country. In these circumstances one can only ask: Why has the government chosen the avenue of rising interest costs as one of the instruments not only of banking policy but apparently of economic policy in this country as well?

I should like to read from an article which appeared in the World Economic Review and Forecast, 1966, published by the New York *Times*. I will give hon. members some indication of what has been done by the government opposite during the past year.

The Chairman: Order. Since the time provided for the consideration of this resolution has expired, it is my duty pursuant to standing order 61A to interrupt the proceedings and put the question forthwith.

Motion (Mr. Sharp) agreed to: Yeas, 86, nays, 59.

The Chairman: I declare the resolution carried.

Resolution reported and concurred in.

Mr. Sharp thereupon moved for leave to introduce Bill No. C-222, respecting banks and banking.

Motion agreed to and bill read the first time.

QUEBEC SAVINGS BANKS ACT

DECENNIAL REVISION AND EXTENSION OF CHARTERS

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the decennial revision of the Quebec Savings Banks Act and the extension of the powers of the existing savings banks till July 1, 1976, and to provide further for certain changes in connection with the administration of the Act.

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

Some hon. Members: Carried.

The Chairman: Shall the resolution carry?

Mr. Bell (Carleton): On the same division.

Resolution reported and concurred in.

Mr. Sharp thereupon moved for leave to introduce Bill No. C-223, respecting savings banks in the province of Quebec.

Motion agreed to and bill read the first time.

[Mr. Nasserden.]

• (5:30 p.m.)

INCOME TAX ACT

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-216, to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

He said: Mr. Speaker, I shall give just a few brief words of explanation on second reading. This bill is to implement the Income Tax Act resolution which was debated at considerable length in committee of ways and means some weeks ago.

Because there has not been time to complete the drafting of the complicated provisions concerning deferred profit sharing plans and the related subject of supplementary unemployment benefit plans, this bill does not contain amendments based on paragraphs 11, 12 and 13 of the resolution. Legislation to implement the proposals in these paragraphs will be introduced as a separate bill later this session, possibly when parliament reconvenes.

It will be noted that the bill is entitled "An Act to Amend the Income Tax Act and to Repeal the Canadian Vessel Construction Assistance Act." When the house is in committee I would like to move to delete all references to the Canadian Vessel Construction Assistance Act, not because the government has changed its views about the desirability of the amendments but simply because members of the industry feel they would like to have an opportunity of having further consultation with the government before the act is repealed. It was not our intention to repeal any of the provisions of that act but simply to incorporate them into the Income Tax Act.

As is usual, the bill contains a few amendments of a technical nature dealing with administration which were not described in the resolution. The most important are found in clause 11 which deals with the Tax Appeal Board, and in clause 18 which concerns the communication of information.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, as the Minister of Finance (Mr. Sharp) says, this bill is entitled "An Act to amend the Income Tax Act" and I suppose the principle of the bill is described in those words. It is not my intention to launch into a lengthy dissertation on the principle of the bill—

Some hon. Members: Hear, hear.

Mr. Barnett: —but with a little more encouragement from the hon. member for Kootenay East (Mr. Byrne) I might be disposed to do so. However, I hope I am not going to be provoked into making a lengthy speech. The point to which I wish to address myself is related to what appears to have been a general disposition on the part of the minister, as well as on the part of quite a number of his predecessors, to be more concerned in the annual bill to amend the Income Tax Act with the principles in that act have to do with making rather complicated deductions in respect of the profits of corporations rather than being concerned with the principle of providing equity under the act for those who file their income tax returns as individuals.

Over the years a good many of the sections of the act have been amended, and one could argue that each section, at least in some measure, stands on its own feet in relation to the principles that are involved. I believe that the basic principle we should argue on second reading is whether the proposals of the minister contained in the bill are designed to achieve equity and fairness in the application of the income tax law. In my submission the principle of this bill is inadequate in that respect, at least in one direction.

During an earlier stage of discussion on the Budget I made reference to what I think are serious omissions in the minister's proposals. I much regret that he did not see fit to agree with the arguments I advanced then and that this bill does not provide a long overdue amendment to section 5 of the act which deals with the deduction of expenses incurred by workers in the course of earning their living.

[*Translation*]

Mr. Grégoire: On a question of privilege, Mr. Speaker.

We are trying to get a copy of Bill No. C-216, but there is none available in French. Therefore, I wonder whether it is all right for us to carry on, at this stage, with consideration of Bill No. C-216 so long as we do not have a French copy of the bill. For that reason, I would suggest that the house should suspend consideration of that bill and that we should come back to it once we have a French copy of the bill. I believe that is only fair and I would ask the minister to move that himself, so that we defer the study of the income tax bill until a French copy is produced. If we get the copy tonight or tomorrow, then we will resume consideration of the bill. We have been looking high and low for the French version, but in vain. I think the minister will have to take action.

[*English*]

Mr. Sharp: Mr. Speaker, I regret to say I was unaware that the bill was not available in French. This comes to me as a great surprise.

[*Translation*]

Mr. Grégoire: This does not surprise us so much, because it often happens that we get the French copy of a bill much later than the English. I feel, however, that is not good enough on the part of the minister, and he should ask instead that the study of this bill be deferred until we get French copies.

Mr. Caouette: On the same question of privilege, Mr. Speaker, will the minister tell us when we can get a copy of this bill in French?

[*English*]

Mr. Deputy Speaker: Order. I must refer the house to standing order 74, which is as follows:

> All bills shall be printed before the second reading in the English and French languages.

If the bill is not available in French perhaps the Minister of Finance will wish to make some comment.

Mr. Sharp: Mr. Speaker, I certainly would not want to continue the discussion without the French text being available. I do not think I have any responsibility for having a French text available, but I express apologies to those whose native tongue is French. Would it be agreeable to the house if the hon. member who is speaking now were to complete his remarks and then we could adjourn the debate until the text of the bill is available in French?

Mr. Deputy Speaker: The hon. member for Comox-Alberni.

• (5:40 p.m.)

Mr. Barnett: Mr. Speaker, if it is agreeable to the hon. member for Lapointe and the hon. member for Villeneuve, who raised this legitimate question of privilege, I would be quite happy to complete my remarks at this point and then follow the suggestion made by the Minister of Finance.

Mr. Speaker: Is it agreeable to the house that the hon. member for Comox-Alberni shall continue his speech?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are ready to agree to this, but afterwards we shall defer consideration of the bill until we get at least one copy in French.

[*English*]

Mr. Speaker: Is it agreed that at that point the debate shall be adjourned until the French text is available?

Some hon. Members: Agreed.

Mr. Barnett: As I was saying, Mr. Speaker, I regret that the bill before us does not contain provisions which I feel would have greatly improved it in principle. I was about to draw the attention of the house to the absence from the bill of what I consider to be a vitally necessary and long overdue amendment to section 5 of the act. As the minister may be aware, this omission is not one which is new. I do not wish at this stage to argue the point at length, particularly in view of the situation which has developed in respect of the availability of the French text.

I believe that this bill would have been greatly improved had it in fact contained an amendment to section 5 along certain lines which would have provided equity in the application of the tax in respect of expenses of workers which are incurred necessarily by them in the course of earning their living. I suggest that if the minister had adopted the proposal contained in Bill C-51 on the order paper this bill would have been much improved.

Bill C-51 suggests that section 5 of the Income Tax Act should be amended by adding a new subsection 3 which would have allowed the taxpayer to deduct from his gross income in a year expenses necessarily incurred by him for board and lodging by reason of his employment at a distance from the place where he maintains a self-contained domestic establishment; expenses incurred by him for transportation between his ordinary place of residence and his place of employment where, by reason of distance, he is required to live away from home to perform the duties of his employment; and expenses incurred by him for depreciation and replacement of tools and special equipment or clothing which are necessarily required by him in the performance of his duties. If this section had been included in the bill which the Minister of Finance has placed before us, then I for one would have been happier.

I feel that the discrimination between taxpayers whose incomes come from wages or salaries, those who are classified as being self-employed, and corporations in respect of the deduction of expenses has been in the act far too long. As I indicated during a previous stage of the debate, I am looking forward to the day when the Minister of Finance in his budget proposals will take firm action to rectify this longstanding discrimination.

Mr. Sharp: Mr. Speaker, on a question of privilege, the hon. member for Lapointe drew attention to the fact that there was no French copy of the bill available. I understand that one copy is now available. I do not know whether this would be sufficient or whether, as indicated earlier, we should adjourn the debate for the time being.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should not want to be unfair to any member of this house. If I am given a copy, it is unfair to the members for Hull, Lafontaine, Beauce, Mount Royal, Québec-Montmorency, Chapleau, Saint-Hyacinthe-Bagot (Messrs. Caron, Lachance, Racine, Trudeau, Laflamme, Laprise and Ricard), in a word to all French-speaking members, including the member for Vaudreuil-Soulanges (Mr. Émard).

Mr. Lewis: And also to the member for York South.

Mr. Grégoire: Mr. Speaker, if a copy is handed to us on this side or accepted by me, I am convinced beforehand that 25 members from this side will rise to protest. I therefore object and ask that the study of the bill be deferred.

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, I have never authorized the member for Lapointe (Mr. Grégoire) to speak on my behalf.

[*English*]

Mr. Sharp: I have no objection whatever. I entirely agree with the hon. member for Lapointe. I merely took advantage of this opportunity to say that we have at least one copy.

Mr. Speaker: Order. Is there unanimous agreement that the debate on Bill C-216 will be adjourned?

Some hon. Members: Agreed.

Mr. Churchill: If the government would pull itself together it would be a good idea. There has been terrible mismanagement.

Mr. Speaker: There has been unanimous agreement that the debate be adjourned.

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

Hon. J. J. Greene (Minister of Agriculture) moved the second reading of Bill No. C-208, to amend the Crop Insurance Act.

He said: Mr. Speaker, during the debate on the resolution stage of this bill I outlined briefly the current position of crop insurance in Canada and the roles of the federal and provincial governments in this important agricultural policy. At that time I indicated that I would go into more detail on the actual amendments when the bill came before the house for second reading. The intention in these amendments is to make crop insurance more attractive to farmers and more widely applicable to the risks of nature over which they have no control.

One of the basic problems has been that for large areas of Canada policies which are possible under the act in its present form do not appear to provide enough protection to the farmer. I am confident that these amendments will do much to rectify this situation and to make crop insurance universally more attractive and useful to Canadian farmers. The amendments to the Crop Insurance Act which you have before you make three major changes and two relatively minor ones in the current legislation.

At the present time the act authorizes the federal government to enter into agreements with the provinces for crop insurance programs where the coverage does not exceed 60 per cent of the long-term average yield of the crop in the area. Many farmers, particularly those in areas where severe losses due to adverse weather conditions are not common, have felt that a coverage equivalent to only 60 per cent of the long-term average yield for the area was not in fact useful to them. Their position very simply was that they were good farmers and that seldom if ever did their production fall below this level.

The proposed amendment, by increasing the permissible level of coverage to 80 per cent and by permitting the calculation of the average yield on an individual farm rather than an area basis, is designed to provide protection commensurate with each farmer's needs and with his ability as a farmer. The proposed 80 per cent level is a maximum level. Policies could be sold at any level of coverage up to 80 per cent. Obviously, however, the higher the level of coverage under any given circumstances the higher must be the premium rate. A condition of the legislation is that the premiums, including, of course, any payments made by either this government or a province toward this cost, must be such as to make the program self-sustaining.

• (5:50 p.m.)

The second major amendment increases the premium share payable by the federal government from the present 20 per cent to 25 per cent of the total premium. Let us assume that the premium rate for an insurance policy is $1 per acre. Under the current legislation the farmer pays 80 cents and the federal government pays 20 cents. Under the amendment the farmer will now be required to pay only 75 cents, with the federal government paying the remaining 25 cents. This action should go some distance in reducing to the farmer the costs that will be associated with the upward movement in the level of coverage. It means that farmers across Canada taking out policies under this program will, on the average over the long term, receive a return of $1 for every 75 cents they pay into the program, since 50 per cent of the administrative expenses are also paid by the federal government and in all agreements to date the other 50 per cent is paid by the province concerned.

Under the existing legislation the coverage is limited to crops. Thus what might loosely be called production units such as apple trees or stands of perennial forage crops cannot by themselves be covered. Yet losses of these production units can have very severe and far-reaching effects for producers. In the case of fruit trees, not only does the farmer lose the crop for that and several ensuing years but he suffers direct financial loss in having to replace the trees that have been lost through adverse weather. A parallel situation exists for many other crops including certain long-term forage stands.

Another and somewhat similar problem exists in the case of summerfallow. In certain

areas land that has been summerfallowed during the previous year with attendant costs accruing to the operation sometimes cannot be seeded because of excess moisture. The amendments make provision for coverage for losses of this kind. For this extended coverage, as it is called, the amendments authorize the making of contributions by the federal government equivalent to those made for crops per se.

Two minor amendments are included. The first of these alters slightly the deductible amount payable by a province under the reinsurance scheme. Under the present legislation the deductible, that is, the amount that must be paid in indemnities by the province before the federal reinsurance becomes operative, includes the premium receipts for the year, reserves from past years and an amount equal to 2½ per cent of the total liability of the province under policies in force. The amendment reduces the deductible amount payable by the province by the amount of any reinsurance premium that it may have paid in that year. This is considered necessary since, because of the method of payment of the reinsurance premiums at the end of any insurance year, the amount of money in the fund for the payment of indemnities has been reduced by the amount of reinsurance premiums paid by the province.

Under the present wording of the act a province with no reserves for the payment of indemnities would be in the position of having to pay an amount equal to the reinsurance premium from its own resources together with the 2½ per cent deductible before the federal government would share in the cost of further indemnities.

For the success of any program one of the most important features is that its users understand it fully. This was clearly brought out during the resolution stage of this bill by the hon. member for Mackenzie (Mr. Korchinski) who indicated that there was great need for more information on the program at the producer level. Accordingly, the act is also being amended to provide that agreements with provinces specify the manner in which policyholders are informed as to the benefits accruing to them because of participation in the program.

During the debate on the resolution stage of the bill the hon. member for Medicine Hat (Mr. Olson) asked why the experience of P.F.A.A. had not been fully utilized in the development of crop insurance. He also asked for assurance that P.F.A.A. would not be discarded or the act revoked at the present time. The experience of P.F.A.A. has been used extensively in the development of crop insurance programs. The yield statistics and the administrative experience of the P.F.A.A. organization have been available and continue to be available to any province to assist in the developing of their crop insurance programs. In addition, the present director of crop insurance is a former director of the Prairie Farm Assistance Act. He is thus able to bring to the development of crop insurance the knowledge and experience gained by that organization in a period of 25 years.

I agree with the hon. member for Medicine Hat that the Prairie Farm Assistance Act should remain in effect until such time as experience has given farmers an opportunity to judge the relative merits of crop insurance and P.F.A.A. for themselves. I suggest to the house that we can depend on farmers to indicate by their participation in crop insurance programs which of these measures, in their opinion, offers the most useful protection.

In summary, then, the amendments increase the maximum permissible level of coverage from 60 per cent to 80 per cent, permit coverage on the basis of individual farm yields as well as area yields, increase the federal contribution to premiums from 20 per cent to 25 per cent, and permit coverage for fruit trees and perennial plants.

These are amendments which I am confident will result in a most useful and workable crop insurance program being made available to Canadian farmers.

Mr. Winkler: Mr. Speaker, I realize it is not exactly six o'clock but so there will be no interruption of a speaker I wonder whether I might now suggest to the house that we move to the consideration of private members' bills. There is a disposition to pass a number of bills which were sent to the standing committee this morning and have been reported. Almost all of them deal with churches and church organizations. There is one exception but I understand there is a disposition to pass it as well. That bill stands in the name of the hon. member for Halton (Mr. Harley). These bills are Nos. S-33, S-18, S-29, S-37 and S-39. If there is unanimous consent to pass these bills perhaps that could be done and then we could return to the business now before the house.

• (6:00 p.m.)

Mr. Speaker: Is that agreeable?

Some hon. Members: Agreed.

Mr. Speaker: I understand the hon. member for Saint-Hyacinthe-Bagot is now calling it six o'clock.

Mr. Ricard: Yes, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

Mr. Speaker: Pursuant to provisional standing order 39A it is my duty to inform the house that the question to be raised at the time of adjournment tonight is as follows: The hon. member for Prince Edward-Lennox (Mr. Alkenbrack), Expo '67—inquiry as to representation of agriculture.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, private bills and public bills. I understand there is unanimous agreement of the house that we now consider private bills.

Some hon. Members: Agreed.

Mr. Peters: As specified in the hon. member's request.

Mr. Speaker: We will consider the private bills specified by the hon. member for Grey-Bruce. Is that agreed?

Some hon. Members: Agreed.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. S-33, respecting United Baptist Woman's Missionary Union of the Maritime Provinces—Mr. Coates.

Bill No. S-18, to incorporate Canadian Board of Missions of the Church of God (General Offices; Anderson, Indiana)—Mr. Smallwood.

Bill No. S-37, to incorporate Mennonite Central Committee (Canada)—Mr. Enns.

Bill No. S-39, to incorporate Lutheran Church in America—Canada section—Mr. Winkler.

INTERNATIONAL SOCIETY OF ENDOCRINOLOGY

The house in committee on Bill No. S-29, to incorporate the International Society of Endocrinology—Mr. Harley—Mr. Rinfret in the chair.

Clause 1 agreed to.

On clause 2—*Objects.*

Mr. Peters: Before this bill is passed I would just like to say that I am very pleased with the fact that this international society of specialists in endocrinology has decided to locate its headquarters in Canada mainly because its secretary general, who is a doctor in one of our Montreal hospitals and also a professor at McGill University, is a Canadian. I think it is a credit to Canada and particularly in keeping with the recognition which the Canadian medical profession has received from the international brain and heart organizations. I think our medical profession should be proud of this fact.

Mr. Cameron (High Park): May I say, Mr. Chairman, that it is time that the hon. member for Timiskaming extended the same courtesy to other bills on the order paper as he has to the one we are now dealing with.

Clause agreed to.

Clauses 3 to 11 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

• (6:10 p.m.)

Mr. Winkler: Mr. Speaker, before we move back to regular business I should like to thank all members of the house for their co-operation. It indicates to me that we are very efficient in the dispatch of business in this house, and I cannot agree with the pessimists that we will be unable to complete the balance of the business.

Mr. Deputy Speaker: Order. By agreement the house will now revert to the business interrupted at six o'clock, second reading of Bill No. C-208.

CROP INSURANCE ACT

AMENDMENTS RESPECTING FEDERAL CONTRIBUTION, EXTENDING OPERATION, ETC.

The house resumed consideration of the motion of Mr. Greene for the second reading of Bill No. C-208, to amend the Crop Insurance Act.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, Bill No. C-208 gives me an opportunity to make a few remarks and I do not intend to delay unduly the business of the house.

We welcome the introduction of this legislation in the house, since it merely supplements the one we had proposed ourselves while in power. We give our hearty support to the improvements that will be made in the existing legislation. If I meant to be nasty, I would avail myself of this opportunity to say that the hon. minister has stolen a plank from our platform, since before the November 8 election, one of our electoral slogans was the improvement of the Crop Insurance Act so as to make it more readily available to farmers.

As the minister wishes to take advantage of such an improvement, we heartily support his efforts and hope the legislation will be enforced as soon as possible.

For a certain group of farmers, this measure is extremely important. In order to show the importance of crop insurance, I would just like to recall the two hail-storms that affected recently my constituency as well as that of the hon. member for Chambly-Rouville (Mr. Pilon). As to the havoc created in my riding, in the sole parish of Saint-Pie de Bagot, many farmers have seen the efforts of many months of work completely ruined.

Crops of farmers cultivating beans, peas, tomatoes, corn, strawberries and even tobacco were heavily damaged on the evening of June 17 last. For instance, the bean crops of 35 farmers were affected and the assessment of the damage is between 80 and 90 per cent, while the damage to the acreage varies between four and 40 acres. These figures give a clear idea of the damages.

When crop insurance will be put into force, it will surely be a relief to the farmers who are at the mercy of the vagaries of weather.

Another disaster also struck the orchards in one part of my riding as well as in the riding of my friend from Chambly-Rouville, as I said earlier.

I have here a brief sent me by the secretary of the Société Pomologique et Fruitière du Québec in which it is stated that 5,300 acres of orchards were damaged by the two storms on June 14 and 17 last. Representations are now being made to get subsidies from the federal and provincial governments.

Even if crop insurance were put into force immediately, the farmers and the apple growers concerned would suffer heavy losses.

Before closing, I would like to ask the minister to whom I wrote to receive favourably the representations which will undoubtedly be made by the Quebec Minister of Agriculture.

I hope that this bill on crop insurance will get the full support of the house and I assure the minister of my full co-operation.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am sure everyone will be interested in the proposition contained in this amendment to the Crop Insurance Act which has already been amended once since it was originally passed. It was passed in 1959 and amended in 1964. It is now being amended for a second time in a major way.

The Minister of Agriculture (Mr. Greene) can perhaps learn a lesson from the two pieces of legislation which he recently brought into the house, namely, the so-called $4 milk policy and this piece of legislation. In both cases there is the presupposition that the federal government has no jurisdiction in this field but that jurisdiction must be exercised by the provinces and that the federal government should hold out to the provinces a carrot which is large enough to provide an incentive to the provinces to do something about the situation.

I am aware of the fact that the Prime Minister (Mr. Pearson) during the election campaign last year indicated to the farmers, particularly in Timiskaming where he started his campaign, that the federal government was going to solve the problems we were experiencing in that area where there was an almost total agricultural disaster as a result of weather conditions. Hay had been lost, and this was followed by the loss of a large portion of the grain. In some areas almost a 100 per cent loss of hay and grain was suffered by the farmers.

The promise made at that time was that assistance would be available as soon as it was asked for. A hasty retreat was then beaten because this request could only come from the provincial government. The minister of agriculture of the province of Ontario told the farmers there were so many disaster areas in the province that if the riding of Timiskaming, which is almost identical geographically with the district of Timiskaming, were declared a disaster area, numerous areas throughout Ontario which were seriously affected would also ask for assistance and the province of Ontario would not be able to pay its share and assistance would not be forthcoming.

• (6:20 p.m.)

If there had been an insurance program in effect it would have covered the major cereal crops as well as the forage crops in Timiskaming. In addition, it would have looked after the drought areas in Renfrew and eastern Ontario. These farmers would have found themselves in a position of being able to ask for fairly sizeable payments as the result of the provisions contained in the bill before these amendments were introduced.

There is an indication that such an insurance program as is being undertaken by the federal government will probably be a good thing, but whether or not provincial governments will be able to conduct a successful crop insurance program that will be within their means is something else again. The situation in Timiskaming, in my opinion, has been drastic. It has been drastic in other areas and not merely because of a disaster in one year but because of the cumulative effect of disasters over a period of years. The Minister of Agriculture is well aware of the situation because of conditions in his own area over a period of time.

If we pass this legislation we are again asking the provinces to do something. We are adopting a philosophy that has been apparent in Canada, particularly when governments want to adopt it, of saying that something lies within provincial jurisdiction but at the same time passing overriding legislation in other areas. The minister mentioned P.F.A.A. I was interested in the detailed investigation of P.F.A.A. which occurred when the officials of that organization were here. They were asked whether recommendations had been made for the extension of this type of program all across Canada and in other fields. They have had a fairly good record in western Canada of preventing disasters at what we in Ontario would consider a reasonable cost. I am referring to those areas in particular where there is not a one-crop economy.

In the riding of Timiskaming a farmer will put about one-third of his farm in hay. There will be a considerable acreage put into hay and quite often it is allowed to go to seed. We have been producing about half of the timothy seed in the province of Ontario during the last two years. A great deal of the farm land in the area is put into either hay or seed production. Another one-third of the area is put into mixed grain and the remaining third is usually put into ensilage or temporary pasture which will be broken up in the fall. Therefore in the area there is a variety of cereal production as well as forage crops. This production is augmented by several other cash crols such as corn, potatoes and vegetables.

I have found that when farmers have discussed crop insurance they have discussed it in terms of the total crop. I am pleased to note that Ontario has taken steps to bring forage crops under their crop insurance scheme. However, if a farmer insures hay he will probably find the cost is more than the risk warrants. If he insures corn the same condition arises. If you are feeding beef cattle or dairy cattle and you are not operating your farm for off-farm sales but as a production unit, you can cut some of your grain for forage if your hay crop is a failure.

You can increase the amount of grain you feed your cattle and probably utilize the straw. Therefore the loss that you would suffer in total agricultural production would not be exceptionally great. For this reason the farmer feels it does not pay him to insure these crops. In the last three years in Timiskaming, particularly last year, what happened was that some farmers had a total loss. They did not get any hay and they lost their total grain production. They were not even able to get any straw that would cover their need for bedding material. The loss for these farmers was almost total; yet to guard against this loss they would have had to insure the grain, the forage crops and probably the pasture as well. The cost, therefore, is not sufficient to warrant the carrying of this type of insurance.

I believe the federal government has a responsibility in this area. What amuses me is the fact that we say we have jurisdiction in one field and yet not in another. I do not consider the prairie provinces to be a provincial unit. They still have representation on a provincial basis individually. I believe, therefore, that the Prairie Farm Assistance Act did take into consideration the fact that these were three provinces for which the federal government was able to provide crop insurance on a limited basis. If it was possible to have jurisdiction to enact the Prairie Farm Assistance Act, it should be possible also to enact a crop insurance program. I believe the reference to provincial jurisdiction is an excuse for not implementing federal legislation.

I would be very happy, Mr. Speaker, if the Minister of Agriculture would decide to enact a crop insurance program that would cover all the provinces of this country, and let the

Supreme Court declare it ultra vires. I know the province of Ontario is not going to challenge the legislation because that government has been plagued ever since it thought of a crop insurance program in trying to find a program the farmers would support. I believe it is fair to say this program will not get the support of 50 per cent of the farmers. This is not an indication that 50 per cent of the farmers in Ontario do not need crop insurance. I think it is safe to say that about 90 per cent of the framers in Ontario are in desperate need of crop insurance that will allow them to count on at least the 80 per cent return which it is within the statistical ability of the crop insurance program to provide. I should like to see a real shuffle in the federal government in terms of the legal advice it receives. I know that when four or five constitutional lawyers get together you will get four or five different points of view.

• (6:30 p.m.)

I should like to see an action with respect to the matters I have raised brought before the Supreme Court. Sometimes, however, it makes little difference what happens in the end result because the problem usually crops up in a different way next time.

We must face the problem of providing the type of insurance that is not tied entirely to payments made to a provincial agency. We shall have to operate this program on the basis of income. The crop insurance will have to be in terms of the income that is involved in the crop. I believe that there are ways in which this can be done.

I am sure the minister will agree that the insurance premium will not be collected as easily as if one were to levy, say, one cent per bushel going at the elevator or by doing it under any system similar to P.F.R.A. It will not be that easy. No matter whether the agricultural commodity involved is hay, feed grain, seed or any other crop that is handled as a direct sale, or whether it is something that comes from a farm production unit such as beef, poultry, swine or any of those commodities involved in the field of milk production, a percentage system based on the price of sale of those commodities I think could be worked out to enable the premiums to be paid as the sales of the end products are made. In this way the program could be universal and could be applied to all farmers.

I know that the Department of Agriculture will not recommend this. As we have heard in the committee on agriculture, forestry and rural development, the department has had considerable problems in making arrangements in various fields of farm endeavour to get farmers registered in the various programs. I suggest the program would further complicate the department's problems immeasurably.

I am concerned that those in my area who need insurance most are the ones who can least afford it. It may be true that many farmers cannot afford to have this program if they have to insure a number of commodities. It is easy if you can insure one particular crop such as wheat, hay or corn. That is particularly so if you are in an area that is involved with only one particular commodity. I am sure this is true around Delta and in some of the southern ridings where tobacco is grown.

I suggest to the minister that the program will not work better now than before but that it will be extended to an additional number of farmers. What we are really doing is holding out a carrot not to the farmer but to the provincial governments so that they may implement this sort of program.

I have been critical of crop insurance since we first passed the legislation because I do not think it is universal and because I do not think it can be universal, not because the farmer does not want it but because he thinks he cannot afford it and that it is not designed for his particular need.

The federal government having raised its contribution, I think it is worth while to bring under the Crop Insurance Act fruit trees and perennials. They are found in limited areas in Canada and are a one-industry crop. It will not be difficult to insure crops in these areas under this act. The amount of money involved in losses and the amount of money that will be demanded as a premium by the provincial government will probably make this program feasible in those areas. They will benefit from this sort of insurance, and I am very pleased that this amendment has been included in the over-all amendments to the act. This amendment will be beneficial and is an answer to the requests of associations that have come before parliamentary committees in the past asking for this extension. These associations have shown us the unique problems of one industry areas that are dependent on one very perishable commodity.

I would be remiss in my duty, Mr. Speaker, if I failed to ask the minister if he has taken into consideration a bill I have on the

order paper which will be increasingly important in this field as days go by. The bill proposes to the Department of Justice and other departments the national licensing and regulating of rain-making equipment. I should like the minister to draw an inference from what happened in his own area of the country. For several years the Renfrews were plagued with a very serious drought of long duration. The provincial government as a last resort, and it will admit it was a last resort, brought in rain-making equipment. I can remember being in the Ottawa valley at fair time. I am sure most members agree that the weather in southern Ontario is at its best at that time. Most of the fairs, including many little fairs in the Renfrew area, were rained out because of not only minor showers but torrents of rain. The farmers of that area not only had drought for four or five months throughout that year but because of the intervention of the Ontario Department of Agriculture they were deluged with rain in the latter part of the season. So they had two disasters in one year.

I admit I am exaggerating but I am raising the matter so that hon. members may consider this proposition. If the federal government undertakes to cover disasters with crop insurance and allows agencies not connected with the Department of Agriculture to interfere with the elements and bring about disasters, it will have to pay the losses caused by such disasters. I can remember the tears that were shed last year when we wanted to adjourn the house to discuss this matter.

There is some indication that we can interfere in a limited way with the elements. We may find ourselves, on the one hand, agreeing by government action to a situation with regard to which, on the other hand, because the elements have been interfered with, we have agreed to pay compensation. It is a little like saying that we will insure all the houses in an area that are burned down but we will not get rid of the arsonist in the area who is burning everybody's houses. You cannot insure the house if you cannot take care of the man who wants to burn it down.

I have raised these matters because I think they must be considered. I do not know how many farmers will take advantage of this program. It is very hard to put a figure on the damage that might be anticipated through natural causes and it is very hard to extend the liability to damage brought about by other causes.

• (6:40 p.m.)

The minister showed considerable initiative. At any rate, shortly after his appointment he was brave enough to take on the C.P.R. With a temperament of this type we would expect him to encourage the federal government to give more positive leadership in fields such as crop insurance and not to content itself with providing substantive legislation as a basis for action by provinces which may desire to make use of it in a limited way. We are paying a large percentage of the money and the provincial governments get the credit. At least under P.F.R.A. in days gone by the federal government got the credit and, moreover, used the patronage machine to great advantage. Today this aspect of the legislation has grown less important and it may be more of a liability than an asset.

Today we should look at these things from a national point of view and ensure as far as we can that real initiative is taken by the provinces, many of which are now unwilling to assume liability. In Timiskaming last year we, like other parts of Canada, were facing disaster conditions and very often farmers were unable to cope with the situation. As a result farmers in my area had to borrow money to buy seed. Germination from the corn harvested last year was less than 10 per cent. They had to obtain bank loans to buy hay which cost as much as a dollar a bale. I know that similar conditions existed in the Ottawa valley. I say we must provide more positive protection against disasters of this type than we have in the past.

As I say, I support this legislation because I believe it is creeping in the right direction. But I hope the minister will come back to parliament in the fall after considering this matter with the other agricultural ministers of Canada and present to the house a much more extensive form of insurance which will take into consideration not only the loss of crops but the income farmers receive from the sale of their products. If he does this I believe he will receive the support of most members of the house as well as the backing of all farm organizations for bringing into being a program which is likely to prove much more equitable to all concerned.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, the hon. member for Timiskaming (Mr. Peters) has touched on many of the points I had intended to raise. First, I should like to tell the minister how pleased I am

that there is at last a policy to extend crop insurance to the eastern provinces. This program enabled western farmers to survive in a great many instances when they needed help, though I still have some hesitation about its application generally.

I was glad to learn that the ceiling is to be raised to 80 per cent. Crop losses in western Canada cannot be assessed on the same percentage basis for purposes of insurance as those in eastern Canada. Losses incurred in eastern Canada seldom result in a yield going below 60 per cent. Nevertheless they can be disastrous. Western farmers too must be pleased with the higher ceiling and with the provision which is being made to cover a wide field of farm production, including both raw products and modified products.

It is true there are many products that need to be covered. One is feed grain which is sold to nourish dairy cattle, beef cattle, poultry and swine. In the eastern regions of Canada there are a great many varieties of farming while in western Canada, at least in the prairie provinces, production is limited to beef or grain. In British Columbia fruit growing is important. There are a great many orchards in Ontario and in Quebec as well as in the Maritimes. In the Maritimes large crops of potatoes are grown and this crop too should be covered by the insurance program.

I do not know exactly which agency in Quebec will deal with this plan. So far I do not believe there is an agency in existence. But I shall be watching to find out how this process works. The federal government will be handing out money to the provinces to cover the losses incurred by farmers and, as the hon. member for Timiskaming mentioned, I certainly hope that without unnecessary interference in provincial affairs the administration here will keep a watchful eye on the manner in which these moneys are dealt with.

I have been a witness to some of these federal-provincial goings-on. The provincial authorities had a high hand in them but when it came to helping those who needed help there was a little favour shown to one and a little disfavour to another, or what we commonly call patronage. This should not be the case. If this is a public insurance plan no consideration should be given to political affiliation. When a farmer suffers from crop failure he needs help and usually he needs it immediately, not in three or four years time. A farmer in eastern Ontario seeds in the spring and in all likelihood he needs the money from that crop to pay his debts. Some farmers have been waiting for a year or more for back payments on dairy products. If there is to be a similar delay in handing out crop insurance payments the prospect is an unhappy one. It may be said that payment will be made eventually. But in the meantime farm creditors are pressing and farmers cannot wait that long. For this reason I hope payments under this scheme will be made as quickly and as fairly as possible.

• (6:50 p.m.)

Another difference between agriculture in eastern Canada and western Canada is the price per acre paid for land. In the east farms are smaller and prices tend to be larger, though, of course, there are high prices and low prices. Production on the farms of eastern Canada, particularly in Quebec except for the Richelieu valley, is largely confined to poultry, swine, beef cattle and dairy cattle. Wheat and grain production do not amount to much because the land is not suitable for that purpose. The farmer has to depend on pasture and forage, and if crop insurance does not cover all these things it is useless to him. As the hon. member for Timiskaming said, the purpose of crop insurance is not to make money on it. Its purpose is to help a farmer get through a bad year without going into debt. As matters stand now, if some mishap occurs many farmers have to leave that industry.

In my own region there are some poor farms. Beef cannot be raised on stones. These farms are useless for growing crops or hay. Even mountain goats would have difficulty surviving on them. But some good farms in the area have closed down because of crop losses. I hope the provincial government of Quebec will expedite its legislation and work in co-operation with the federal government. Farmers must be helped in many ways whether they are engaged in the production of beef, swine or feed grain. If a farmer loses his hay crop and has to import feed at high price from a distance he may as well stop farming, considering the price he gets for his cattle today.

Judging by the energy the minister has displayed I am sure he will do his utmost to provide a better standard of living for the agricultural sector of the economy and without discrimination between east and west. Western Canada has appreciated crop insurance for some years, but the program will have to take into consideration different factors in eastern Canada where farms are

smaller and there is a greater variety of production.

I hope the minister will keep a vigilant eye on the provincial governments to see that they do not start fooling around with the funds given by the federal government. I hope the provincial governments will not delay in making payments to farmers in distress. If they do delay the farmers will have gone out of agriculture completely.

The remarks made by the hon. member for Timiskaming about rain-making machines caused me to smile because he said the provincial Department of Agriculture in Ontario sort of ordered things about to get rain. The former minister of mines and natural resources in Quebec, Mr. Rene Levesque, authorized the placing of these machines and I know that where he did there was plenty of rain. One year the hon. member for Chapleau (Mr. Laprise) swam around his constituency, and the same thing happened in Lac-Saint-Jean.

I do not know how good these machines are but I do know that where they were operated plenty of rain fell. In fact, where previously we had a drought we ended up with a flood. Both conditions are equally bad. There should be some control over the use of these machines in order that they will not produce more damage than they are designed to prevent.

When payments are made under crop insurance I hope they will be just and honest without taking into account a farmer's political affiliations, and I emphasize that last point because in the past there has been some discrimination. We look forward to the passage of Bill C-208, and after it has been in effect for some time and experience has been gained in its administration we shall look forward to future amendments to the legislation.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I appreciated the minister's answers to some of the questions I raised when the resolution was being discussed. I know that some of the people in the department have had a great deal of experience in the administration of P.F.A.A., particularly one official, and what I would like to know is whether the minister and his officials gave serious consideration to expanding P.F.A.A. so that it could provide a measure of crop insurance.

The $800 maximum that is available now certainly does not cover even the basic cost of putting in a crop on most farms, and of course it is not applicable to all the areas in Canada. But with the experience which the personnel of P.F.A.A. have in its administration and the data contained in office records, it seems to me the government could have moved into crop insurance in a better way than by having each of the provinces plow new ground in trying to develop a satisfactory crop insurance program.

The minister has not indicated whether serious consideration was given to extending P.F.A.A. into other areas of Canada, increasing the levy presently being imposed on farmers, including other products in addition to cereal grains, and increasing the benefits provided. Crop insurance is essentially a plan to provide payments to remove the element of tragedy or disaster resulting from the loss of a crop in any one year. It is not intended that payments be large enough so that farmers would find it profitable to operate under crop insurance. In 1939 payments under P.F.A.A. were as low as $300. They now go up to $800 but, as I said previously, this does not cover the cost of putting in a crop. But it does provide that the farmer does not have to go on municipal relief.

• (7:00 p.m.)

If they have crop losses year after year such as happened in one part of my constituency for seven years in succession because of hail storms and so on, then even with the assistance of P.F.A.A. it is necessary for the provincial and municipal governments to provide additional service. I will just leave that for a moment. I am pleased to support the part of the bill which changes the coverage from 60 to 80 per cent.

In clause 3 there are amendments allowing the amount of the insurance to be effective on any crop in an area, or on any farm in the area. It is to be based on the average yield of the crop or on the farm, whichever is the greater. I suppose the details of administering this part of the amendment to the act will be left up to the provincial government and the provincial crop insurance administration. However, I should like to point out that there is a really serious administrative problem here in trying to establish what the average for a crop may be on a single farm experience. When the act will say from now on, if this bill passes, that it is permissible to issue insurance and to pay benefits on a single farm experience, it is not clear to me how this is going to be arrived at. Are we going to ask the farmer to keep records? That is

one way to determine what the average crop may have been for that farm.

It seems to me in this regard that we might be entering an area where losses in yield may fall within the category of losses over which a farmer had some control; in other words, he might be following poor farm practices. If he were able to buy insurance based on the average for that entire area, which naturally would include a number of farmers who practiced proper husbandry and who had reasonably good crops year after year, his would be a farm unit within a whole group which would be able to obtain insurance at the same rate as his neighbours who were practising good farming methods. Almost continually every year he would be collecting insurance.

I do not see anything in the federal act which prevents this kind of abuse. I raise this point because I know in certain parts of Saskatchewan, and even one or two places in Alberta, charges have been made that there are farmers who simply farm for the dry bonus, the P.F.A.A., and scratch in a crop in the spring without any particular diligence in so far as seeing that a good job is done, because they can collect P.F.A.A. in the fall. I am not saying this practice is widespread, because I do not think it is; but there are a few, and this irritates the good farmers who are around them.

Unless I am incorrectly interpreting this part of the bill, any farmer may buy insurance at the same rate in an area based on the average yield of the area or the farm, whichever is greater. If the average for the entire area is greater than the average for his farm, a farmer will be able to buy insurance up to 80 per cent of the average for the area. There probably are cases where an individual farmer may have been unable to produce 50 per cent of the average in the area, and if he continues that kind of practice, then he can collect 30 per cent every year.

I think we should be a little more careful and not allow this kind of abuse to creep in.

I suppose when the minister replies he is going to suggest that the provincial crop insurance legislation and administration ought to be set up in a way which would prevent this happening. But, Mr. Speaker, so far as the federal legislation is concerned this is permissible. I think this is something we should be careful about.

There is another point I should like to mention to the minister and the parliamentary secretary. In a number of statements the minister has indicated that the federal government apparently is rather anxious to expand crop insurance to as many areas as possible, and very quickly, so that it will be unnecessary for the federal government to move into an area with emergency assistance in an emergency year. Because of the problems involved in working out the details, we come to a situation where we have a federal crop insurance scheme in respect of which it is unfair for the federal government to try to force crop insurance at an accelerated pace by withholding assistance for emergency purposes. I do not believe that a crop insurance program is something which can be forced.

I would hope that the pilot projects which now are operating in Alberta, and to some extent in Saskatchewan where they have been in it a little longer, and even in Manitoba, will not be forced to expand because of this kind of attitude. There will be agricultural years, not only in the prairies but in many other parts of Canada, when there will be disasters due to weather, drought, flood, hail frost, or other reasons. I think the federal government should be disposed to co-operate with the provincial governments in taking care of these emergencies without holding up the crop insurance program and saying that it will take care of these things, because up until now six out of the ten provinces have not even tried it at all. Even in those areas where there have been pilot projects going for some time, both the provincial departments and the farmers concerned are not satisfied there is sufficient experience to say that it is entirely satisfactory.

In closing, Mr. Speaker, I just wish to say that I think we are a long way from having worked out all the details of a completely satisfactory crop insurance scheme, taking into account the variations in climate, soil conditions, and also the many products that are produced in Canada. Therefore, I would hope that we do not try to move too quickly. I would hope also that we do not disregard programs such as P.F.A.A., which have been satisfactory in the past. I should like to see some change of attitude; that is, a recognition that the federal and provincial governments have a responsibility to deal with emergencies when they arise. I should not like to see it suggested that we are going to withhold this because we want to get crop insurance in as quickly as possible. If there was some kind of near perfect scheme, near perfect bill, and near perfect administration in existence at

the present time, then I think there would be some justification for this attitude. In the meantime I do not believe it is fair to force on provinces or municipalities some kind of an alternate scheme to meet emergencies, in view of the fact that these schemes are far from perfect at the present time.

• (7:10 p.m.)

Mr. W. H. Jorgensen (Provencher): Mr. Speaker, I do not intend to take up a great deal of time, but I do wish to say that I am pleased by the amendments now before us. Perhaps I am in a somewhat different position from the three preceding speakers, because in the late 1940's I was instrumental in urging Manitoba farmers to press the provincial government to carry on an examination of the possibility of adopting a crop insurance program. As a matter of fact, I owned a grain farm, and I spent my winters travelling through the province encouraging farmers to take some action. As a result of the action taken the provincial government set up a commission in the early 1950's to study the whole question of crop insurance.

At that time I had made some examination of the programs that were in existence in the United States. I presented a brief on behalf of the farm organization to this commission, in which we recommended certain things in respect of a crop insurance program. That commission quite rightly recommended that a crop insurance program be set up, but only if there was federal assistance made available. No such assistance was forthcoming from the Liberal party, which was in office until 1957.

In 1957 this party assumed office and that year a bill was presented and enabling legislation was passed. In 1959 the province of Manitoba embarked on a crop insurance program on a trial basis. Test areas were set up throughout the province in order to gain the experience necessary to implement a crop insurance program which would be successful.

The hon. member for Medicine Hat (Mr. Olson) went to great lengths to point out the need to go slowly on this measure. As a matter of fact, the government of the province of Manitoba has urged these amendments on the federal government because in its experience it feels they are necessary in order that it may expand its crop insurance program to cover more crops, giving a wider range of coverage.

Mr. Olson: Mr. Speaker, I rise on a question of privilege. I did not say that the federal government should go slowly in dealing with these amendments. I suggested it should proceed slowly and cautiously before extending crop insurance to areas where it has not existed before. I am sure the hon. member wants to be fair.

Mr. Jorgenson: I accept the hon. member's explanation of what he intended to say, but his explanation does not make sense, because in the final analysis the provincial government requires this legislation in order to adopt or enlarge crop insurance programs. This decision rests with provincial governments, and rightly so. The provinces must decide what crops should be covered and what areas should be covered.

The hon. member for Timiskaming (Mr. Peters) was advocating a national crop insurance program on the one hand, while on the other complaining because farmers could not participate in existing programs. If they cannot participate in a program that has been developed by a provincial government to suit a province's needs, surely it is unreasonable to expect them to participate in a program that is supposed to have national application. The experience that is necessary for the development of crop insurance programs must be gained in particular areas where the crop insurance is to be applied.

I do not wish to assume the minister's task of explaining some of his comments, but because of my experience—I happen to be one of the few farmers in this chamber who has participated in a crop insurance program in my province—I do know something about crop insurance and I should like to make a few comments.

I cannot follow the arguments advanced by the hon. member for Medicine Hat, who suggested that P.F.A.A. should be expanded in relation to a crop insurance program. At the same time, he complained that farmers in certain areas were taking advantage of P.F.A.A. by sort of dipping their fingers into the till. If we enlarge the provisions of P.F.A.A. to cover crop insurance across the country, we would be creating a greater opportunity for this sort of thing to take place.

The hon. member for Medicine Hat also complained that certain farmers may not be following good farming practices, yet would benefit to the same extent as others. He suggested that some provision should be adopted to prevent this from happening. Under the Manitoba crop insurance measure

there is a provision which allows the Manitoba crop insurance corporation to exclude any farmer from coverage if it is felt he is not following good farming practices. In the final analysis the determination as to whether or not a farmer is going to participate in a crop insurance program must be left to the farmer himself. This is one of the strongest arguments against a nationally applied insurance program. Only by looking at insurance rates applicable in certain areas and by considering crop prospects can a farmer decide what type of crop he is going to grow, and whether or not it will pay him to take out crop insurance. For that reason and many others the type of program that was developed in 1959, now being amended, is the type of program that in our experience in Manitoba works to the best advantage of the farmers, and those people charged with the responsibility of administering it.

This bill provides that summerfallow will be eligible for insurance coverage. This was not so in the past. Again I do not wish to take credit for the adoption of this principle, but I must say that for years I urged the Manitoba provincial government to adopt this type of amendment. In many instances in my area the farmers were not able to seed crops because of excess moisture. That is one condition that could arise to prevent the seeding of a crop. It is rather difficult to apply this type of insurance to second year crops because one has no way of knowing whether or not a second year crop can be sown. Even at this time, when the amendments are now before us, there has been a change in respect of summerfallow. This is the result of improved marketing conditions for grain. Many farmers now are not putting any land in summerfallow, but because of reasons beyond their control they are going to be in the position, of not being able to collect insurance if they fail to seed a crop in a particular year. In this area perhaps the minister will have to project his thinking further. I am not criticizing the amendment—I think it is a good one—but we have reached the point where we should consider action on a larger scale.

• (7:20 p.m.)

There can be no objection to the raising of the coverage from 60 to 80 per cent. However, I doubt very much there will be many farmers on the prairies who will wish to participate in a program on such an increased level of coverage. In connection with that, I should like to ask the minister a question with which he might deal in his statement. I wonder whether he could supply us with figures in regard to the increase in the premium rate when the coverage is raised from 60 to 80 per cent. In other words, could he tell us what are the premium levels at the present time and what they will be in the future. I am sure his officials have done some calculations on this matter and can provide us with the answer.

So far as the intention of the federal government to increase its participation in the premiums is concerned, again they are behind the times because the 5 per cent increase in the federal government's contribution to the premiums has already been swallowed up by the application of the 11 per cent sales tax on farm machinery, by the increased interest rates which will accrue as the result of the recently stated intentions of the government, and by the increased cost of living. And so the farmer gains nothing from this 5 per cent increase, although the minister may try to take credit for doing something that is supposed to have some appeal.

I was rather amused at the reply which the minister gave to some previous observations which were made during the resolution stage of the bill. Clause 3 of the bill contains a provision under which the provincial governments are asked to specify the manner in which the province will inform each person to whom a policy of crop insurance is issued of Canada's participation in the insurance scheme under which the policy is issued. The minister said that the reason for this provision was that the hon. member for Mackenzie (Mr. Korchinski) in his statement during the introduction of this resolution outlined the need for greater effort in informing farmers of the program. I can just see the minister, after listening to these appeals by the hon. member for Mackenzie, dashing out to his officials and saying: "This clause must be inserted". I suspect, Mr. Speaker, there is another motive which is apparent to all of us behind this amendment, but I will not go into it.

In summing up, Mr. Speaker, let me say there can be little if any objection to the amendments that are now before us in this particular bill. We support them, although we question the value of certain measures that are proposed in the bill. I am thinking in particular of the 5 per cent increase in the premium rates which has already been dissipated, and the clause, which I have just mentioned, dealing with the publicity angle. However, I wish to assure the minister that we on this side of the house, intend to support the amendments that are now before

us. We hope that more provinces across Canada will avail themselves of the provisions of this legislation in implementing crop insurance programs for the provinces, or for the commodity groups within the provinces. We think this is worth-while legislation which will be of tremendous assistance to the farmers.

Mr. Robert C. Coates (Cumberland): I do not intend to spend any time on this bill, Mr. Speaker. First of all I wish to say that I was very impressed by the comments made by the hon. member for Provencher (Mr. Jorgenson). They were like a breath of fresh air, after the statements made by the three previous speakers, who went on at great length and really said very little.

I should like to ask the minister whether, in commenting on the amendments, he might inform us of Nova Scotia's interest in moving into this field and providing this type of insurance to those farmers who might find this legislation to be of benefit to them. I may say that in Nova Scotia we do not have large farming operations; we have a good deal of mixed farming. In those areas crop insurance is of no great value because the types of losses we suffer are never so extensive as to offset the premiums.

However, the inclusion of fruit trees in the coverage under the act will be of real benefit to the fruit growers in the Annapolis valley. I think much interest will be shown by those farmers in participating in such a scheme. Farmers in my constituency will also be especially interested in the coverage of perennial plants such as blueberries and strawberries. Cumberland county is one of the major blueberry producers of the maritime provinces. I believe it is the largest producer, to quite a substantial degree, and in recent years we have noticed an increase in the production of strawberries, which might also be covered by this legislation. This additional coverage will therefore be of great interest to the farmers. May I also point out that farmers are at present participating in a more specialized way of producing for the frozen food plants, which have been increasing in number.

I will therefore appreciate hearing anything the minister might have to say which would indicate the attitude of Nova Scotia with regard to these amendments.

[*Translation*]

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, if you allow me, I should like to make a few remarks regarding Bill No. C-208.

Coming from a mostly rural riding, it is only natural that, like my colleagues, I should be interested in a legislation designed to improve the Crop Insurance Act. Considering the several disastrous years we have experienced lately, especially with regard to agriculture, of course, our interest in this bill is quite understandable.

I know that other members who do not share my political views, had the opportunity to speak at the resolution stage. Going through *Hansard* for June 21, I found that some members from Quebec were prevented, for lack of time, from showing their interest in the matter.

A few, last minute items of information make it possible for me, first of all, to congratulate properly the Minister of Agriculture for his interest in a situation which surely deserves our fullest consideration.

Obviously, the improvements which will be brought about will be a valuable contribution to the output of our farmers. I knew for a fact that Quebec—I am referring to the administration which has now been superseded—had indicated its intention to introduce crop insurance in the province of Quebec, but no legislation had yet been brought forward to implement such a hope entertained by so many of our farmers. I am convinced that with the increasing and imperative consideration agriculture requires, the new administration will also examine the problem. Meetings such as we witnessed today, between the federal and the provincial Ministers of Agriculture bode well for certain agreements. Some aspects of Bill C-208 have especially interested me, namely section 3, subsection (2), paragraph (fa) which reads:

—specify the manner in which the province will inform each person to whom a policy of crop insurance is issued of Canada's participation in the insurance scheme under which the policy is issued;

• (7:30 p.m.)

This is one more commendable step which I support readily; it might do away with the goings on that have occurred too often in the past where, under joint programs, the federal government unfortunately did not get the credit it deserved in the case of similar legislation. This happened not only in my province but also in others where the provincial authorities have used such legislation to their sole benefit. I believe this provision

will convince our constituents that their representatives in Ottawa—which we call at home the far-off federal capital—consider at least the problems which face them.

This increase from 20 to 25 per cent of the federal government contribution in respect of the premiums is praiseworthy. I trust that when circumstances allow in the future, and with the blessing of the Minister of Finance (Mr. Sharp), the contribution can be increased again perhaps, so that more help may be given those provinces which are less fortunate than others.

I also notice, with regard to extended coverage, that it is stipulated in clause 5A(1)(b) as follows:

—loss arising when the seeding of summerfallowed land intended to be used to grow an insured crop is prevented by excess ground moisture, weather or other agricultural hazards.

I did not have time to discuss the matter at length with the minister, but several weeks ago I had the opportunity of advising him in writing of a rather special problem, in my riding at any rate, with regard to the fairly extensive damages caused each year, and even twice a year, to fodder crops by migratory birds on their arrival or departure, on the islands in my riding and especially on the south shore.

The problem is this: we have, and with reason it goes without saying, laws protecting migratory birds, which laws were introduced by the Minister of Northern Affairs and National Resources (Mr. Laing). Migratory birds are of great importance to the economy of my riding which is always in need of help, like many others of course. We want to protect the Canada goose, but if our farmers' crops are devastated completely when the birds swoop down on their fields, or on the strand, the farmers should be allowed to include those losses under the crop-insurance program. I am thinking in particular of the inhabitants of the islands whose crops are more severely affected by what constitutes, after a fashion, a devastating pest.

Of course, looking at it from the standpoint of sports, particularly during the hunting season in the fall, we are always pleased to welcome, for the greater part, our neighbours from the surrounding constituencies, from the city constituencies, even people from Montreal, and in particular the many Americans who, each year, have the good habit of hunting migrating fowl in our area. Then we are faced, if you want, with measures to protect

[Mr. Berger.]

that sector of our economy, but also to handicap it. I would be very pleased if this item was included in the improvements to the Crop Insurance Act, in order to kill two birds with one stone or two good birds with two stones, if you will, Mr. Speaker.

The reason I took part in this debate was simply to thank those who had the excellent idea of making further improvements to this act. We know that a first improvement will open the way to others, and I dare hope once more in concluding these brief remarks that the new administration which took over in our province, will carry on with the good intentions at least shown by the previous administration to introduce, as soon as possible, in the province of Quebec, which, I am convinced, surely needs it, legislation with such an important scope in the interest of the agricultural class, which was unfortunately neglected for too long and not sufficiently assisted.

I hope these few remarks will be taken into consideration, and I wish to assure the minister that, thanks to the assistance and the valued advice his department will provide us with, and mainly the information that the Department of Agriculture will be pleased to forward to us occasionally, we will be able to become happy and particularly skilful propagandists who will succeed in selling the idea to a greater extent in our province, so that the Quebec farmer may benefit from legislation which will be entirely to his advantage.

[*English*]

Mr. Terence Nugent (Edmonton-Strathcona): I am prompted to rise, Mr. Speaker, because of the remarks made by the hon. member for Medicine Hat (Mr. Olson). It seemed to me that in his handling of this subject he really illustrated the hesitancy that has characterized the lack of action of the government of Alberta. He remarked that, this legislation is far from perfect; that he was afraid that in the event the farmers had insurance they would not be able to come to the government for help in case of disaster; that he did not consider the scheme feasible as it is now. All of these remarks, Mr. Speaker, are occasioned by what I believe to be a fundamental failure to grasp the general idea behind this measure.

Of course it is not perfect. This is a new field. We do not have a model or a pilot program because of the varying climatic conditions and the different crops grown in

Canada. It was thought the most feasible insurance scheme that could be worked out would be one worked out by each province, cognizant of its own conditions and problems. The federal government therefore merely provided the vehicle by which they would co-operate with the provinces in any scheme that the provinces developed. The federal government would share the cost, allowing the provinces, because of their special conditions, to develop the scheme. Certainly if the hon. member for Medicine Hat had paid any attention to the idea behind the development of the scheme, we would not have heard the speech that we did hear. It is left to the provinces to develop the type of insurance scheme, the type of coverage best suited for that province. The scheme might only cover certain areas or certain crops; it may only be taken a certain distance and the province would find that would be about the limit of the practical coverage needed.

The whole idea was that the scheme would have to be developed by the province itself. I say the attitude of the hon. member for Medicine Hat is reflecting the slowness of our own provincial government in Alberta, which only last year started to take a tentative look at this act. They should have been developing ideas as they have been doing in Manitoba for the last four or five years, and by now we might have a substantial number of farmers receiving some benefit from this act. I cannot for a moment imagine how the hon. member could use the argument that these farmers, having been covered by insurance, would be unable to ask for aid in case of some disaster. He is probably referring to the number of times that farmers, because of drought or flood, have had to come to provincial and federal governments, hat in hand, and ask for special grants. I suppose that is a nice position in which to have the farmers. Certainly I cannot understand the hon. member's failure to realize the number of minor tragedies —minor because they are isolated—where the losses suffered by individual farmers would be alleviated by insurance. These are instances where it is not a serious enough matter nationally, perhaps even provincially, for the provision of any other source of aid.

• (7:40 p.m.)

I do not want to take any further time of the house, but I do hope that the province of Alberta might go to the province of Manitoba now, find out what they have learned, perhaps receive a lot of good help from them, and be able to make up for the last three or four years which the province has wasted by not developing this scheme. They should start right away, as are other provinces, to develop a crop insurance scheme which would be of considerable benefit to the people of the province.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1.

Mr. Jorgenson: Mr. Chairman, several questions were asked. I hesitated to ask the minister to do this on second reading, but perhaps he would be able to answer them now.

Mr. Greene: Mr. Chairman, there are two or three questions which I believe were pertinent and appropriate. I am afraid I cannot answer all of them because there are not complete or absolute answers to all of them.

The hon. member for Provencher asked a question with respect to the increase in premium by increasing the coverage from 60 to 80 per cent. I believe that was the question about which he was exercised. There is no categorical answer in this regard. It depends, of course, on the nature of the area being covered.

As hon. members know, the agreements with the provinces will prescribe the particular divisions of areas which are made, and alternatively, as conceived in the bill, this could even be on an individual farm basis. If a province, in its wisdom, saw fit, that would be an applicable method. The increase in the premium will depend on the nature of the area, the crop and the losses in the particular area. But certainly the increase from 60 to 80 per cent indicates a very considerable increase in coverage; and, like any other form of insurance, you pay for what you get.

I am sure that many farmers will find that the 80 per cent increase in a particular area which is growing a particular crop will be more than they wish to pay. I do not think that all of them by any means will want to buy an 80 per cent coverage policy. However, under the scheme they have the chance to buy even lower than 60 per cent coverage if they so wish.

I regret that I cannot give any categorical answer to this question. I am informed that in a high risk area, with probably a high risk crop, the difference between 80 per cent coverage and 60 per cent coverage could

involve as much as double the premium; but this is merely an illustrative figure. Certainly the cost would be higher, and in the case of many crops it may well be that the farmers do not wish that type of coverage.

Judging from the many discussions which we have had, the added coverage is particularly attractive to growers, such as fruit growers, tomato growers and people engaged in these areas, where a 20 per cent loss represents a very serious loss. They are the ones who particularly require this coverage. I regret that I cannot be more categorical, but to the best of my knowledge there is no absolute answer to the question posed by the hon. member, except that which we will gain from experience.

The hon. member for Cumberland posed a question as to whether Nova Scotia is more likely to participate in crop insurance as a result of the amendments. My instructions are to the effect that, as a rule, when the maritime provinces suffer a loss it is not complete or total. Apparently the sovereign province of Nova Scotia enjoys such a salubrious climate that this type of complete catastrophe does not occur too often, or as often as in agricultural communities in other provinces.

In any event, Mr. Chairman, at the federal-provincial meeting which was held last February, I believe, to determine the directions in which the various provinces wished to move in the area of crop insurance, the officials from Nova Scotia indicated that the 80 per cent coverage in particular was of great interest to them. This is the specific aspect of this bill that seemed to indicate that it would be of interest to them, and that it might encourage the province of Nova Scotia to make further inroads into the area of crop insurance. I take it this is probably because of the fruit growing areas there. Since that time we have had no further indications as to what are the intentions of the province of Nova Scotia in this regard.

With regard to the hon. member for Medicine Hat, I am not going to give him a hard time, as did the hon. member for Edmonton-Strathcona, but I will try to answer one or two of his questions. He was concerned that the premium structure might be conceived on an area basis, whereas the amount payable on loss would, on the other hand, be returnable on a farm unit basis. I may not have made that too clear in my original presentation.

[Mr. Greene.]

This could not be the fact. The premium structure has to be conceived either on one basis or the other. Either the premium structure in the provincial agreement may be on an area basis, in which event the loss ratio or risk in the particular area is calculated actuarially and both the premium and the return in the event of loss are based on an area basis, or alternatively, if the provincial agreements so prescribe, the coverage may be on a per unit or per farm basis, in which case the premium is calculated on the risk for that particular farm unit in light of the number of years required experience. The loss is then based similarly on the premium paid. In other words, you cannot have it both ways. Either your premium is based on an area basis, in which event so is your loss; or your premium is based on an individual farm unit basis, and so is your loss.

• (7:50 p.m.)

I might point out that this latter incentive in the act may not be achieved in all provinces overnight. It may well be that before a premium structure can be conceived on a per farm basis, some considerable experience is going to be needed before an actuarial calculation which is meaningful can be arrived at. But the aim toward a per farm coverage is, I think, a very desirable one, as pointed out by the hon. member for Medicine Hat, in that this will be the ultimate encouragement to the individual who is a good farmer and has an efficient production. He can insure his own farm according to the productivity and risk of that particular unit, which in the case of the efficient and productive farmer costs obviously less than if he insured on an area basis, where he may have to take some less efficient farmers in with him in the calculation of the premium structure. So, I think the hon. member points to the ultimate idea, namely a per farm coverage on an experience of a sufficient number of years determined adequately and actuarially, which will enable the good farmer to buy his coverage more cheaply than if he were less productive.

I do not need to tell my friend, who is extremely knowledgeable in this area, that this matter has been one of the complaints with respect to P.F.A.A. The good farmer pays in and never collects, and the others take money out almost every year. Twenty five years out of 27 I think is the record. This is the reason for having this matter within the ambit of this statute, so that ultimately coverage can be made on an individual basis. Such coverage will be most economical for the

effective farmer, and it will encourage efficiency, because efficient farming will lead to a lower premium structure. In very much the same way, if you have not had an accident for 25 years driving your car, and if nobody under 25 years old drives your car, your insurance will be at a much lower rate than it would be if you were a high risk.

I might also remind the hon. member that the premium structure has to be approved by the provincial government, and therefore here we have to safeguard to the effect that the premium structure, when conceived under any agreement, will be sound actuarially. As a result greater participation in this scheme will be encouraged.

Those, I think are the major questions of which I have made a note, Mr. Chairman.

Clause agreed to.

Clause 2 agreed to.

On clause 3—

Mr. Olson: Mr. Chairman, this is the clause about which I questioned the minister, and I am grateful for the additional information he gave a moment or two ago.

I wish to raise another point, for clarification. We talk about premiums and we talk about payments. I think the minister must agree that a third factor is involved in these insurance policies. The coverage now will be up to 80 per cent on a farm or on an area, whichever is the greater. This, however, is not going to happen in all cases. Certainly if clause 3 is passed, this will be permissible within the ambit of the premium, the coverage, and the award that may be paid.

Although it does not say so in clause 3, may I ask the minister whether a farmer may purchase insurance on the basis of the 80 per cent coverage of an area, and then collect, if there is an award, on the basis of the performance of his individual group?

If you take that paragraph apart, it says:

> —the amount of the insurance to be effected on any crop in any area or on any farm in any area, which shall not exceed eighty per cent of the average yield of the crop in the area or on the farm, whichever is the greater,"

It does not say that it has to be on the same basis. The premium is something else if there is a group premium, and this can be adjusted for an individual farm, or with respect to an individual farm experience over a ten year period. Perhaps that would be a high enough period for anybody attempting to abuse this to be prevented from so doing.

I wonder if it is possible for a farmer to buy the insurance on the basis of the 80 per cent of the average crop in the area, and then to collect on the basis of his single farm experience?

Mr. Greene: Mr. Chairman, it is my understanding that if the coverage is taken on 80 per cent of the area, that then the premium structure is on this basis, and the loss will be an area loss and not an individual loss. But, if you cover an individual farmer, then you pay your premium on the ten year average on a farm once the statistics are available with respect to that farm. The loss then could be on an individual unit basis. At least that is my understanding.

I must admit that the section does not make that specifically clear. It is my understanding, in any agreement, that that is the interpretation which will clearly be made of the section, because any other basis I do not think would be actuarially sound.

Mr. Olson: Will it be necessary, then, for a farmer to elect at the beginning of the year, or when he buys the policy, as to whether the award will be made to him on the basis of an area group loss, or on the basis of his individual farm loss, whatever the reason of that loss. Would the farmer have to take that option when he pays the premium in the first place? Would he have to decide whether the loss should be collected on the area or on the single farm basis?

Mr. Greene: Mr. Chairman, it is my understanding that the specifics of the coverage will be covered in the federal-provincial agreements. In the early years, in all probability, there will not be sufficient statistics to determine what will be the acturial structure per individual farm. We will not have 10 year or 25 year records for each individual farm in the early stages of the program. If my understanding is correct, in the early years of the program in most provinces a per farm or per unit policy will not be available until the statistical data has been built up, and the records have been built up over a period of years to enable an actuarially sound program for individual farms to be conceived.

When that day comes you will have your choice, I understand, in electing what to do. You may ask yourself: "Do I go in with my group and pay the lower rates, or do I take the alternative policy, which is now available, because they now have the data enabling me to be covered individually? If I am an efficient farmer, one who has never had any

loss, it may be that I shall elect to go in on an individual basis." In that case the premium structure would be more attractive.

I think I should stress that we are not enunciating that individual policies on individual farms will be available in all provinces right off the bat. The legislation makes this permissible, once the provincial organizations controlling the actuarial part of the plan have determined that there are sufficient statistics to enable individual coverage to be entered into.

We are not indicating here—and I do hope there is no misunderstanding on the part of the public—that we can make individual coverage, or the choice as between individual and area coverage, available immediately.

Mr. Nasserden: Mr. Chairman, I am not too sure that the minister is certain of the facts he is stating. If he is, I am not too sure that the prospect he has held out is one that would be brought about by this legislation.

My view of this particular clause is that it sets out that if you have an area where you cannot get enough farmers to form a group insurance area, that the one or two farmers who wanted so to elect could elect to be insured on an individual basis. This sort of thing would provide the province with an opportunity of going ahead in a limited way with the act, as it developed.

It seems to me that it is a little far fetched to say that this act was designed to provide a group insurance plan based on an individual farm record basis, regardless of the individual farmer. That is a long, long way from what we have, and it certainly would be misleading to the farm population of Canada if they were to think that.

I have not, in the brief time I have had to look at this measure, formed an opinion whether this is a good or a bad idea.

• (8:00 p.m.)

Generally speaking, my first impression is that it would not be particularly to the advantage of the farming community to proceed on that basis. I may be wrong in this view and may wish to amend it later. But that is my first impression. Bearing in mind the plans which some of the provinces are bringing in, or want to bring in, I wonder whether this is one way of introducing crop insurance into areas where there are not enough people interested in the plan to form a substantial group at the present time.

Mr. Greene: Obviously we cannot solve all the problems in this one amendment. What we are trying to do is this: We are attempting to give a wider degree of choice and a more attractive choice—to make the package more interesting and bring in as many people as we can. Obviously, the concept of crop insurance will have little success if farmers do not think they are getting a good deal, and refrain from using it. The act as it stands obviously failed to attract a sufficient number of farmers. For this reason we now seek to make the selection as broad as possible, so that many more farmers will feel that this is attractive, and in their interest, and will buy it.

A plan which had the support of less than 30 per cent of the farmers within a province would obviously not be doing the job properly. It is only when we get a substantial majority of the farmers covered that we can feel the measure has been worth while.

With respect to this question of area coverage and individual settlement I should like to say, so that the hon. member who has just spoken, as well as the hon. member for Medicine Hat, may be clear on this point, that provision can be made for both. In the latter circumstances the premium would certainly be higher, but it is possible within the scope of the act for a province to issue a policy envisaging this type of coverage.

Mr. Olson: Let me be clear on this point. Is the minister saying that if a farmer purchases coverage on the basis of 80 per cent of the average crop in an area, and if he elects to receive an individual settlement or award in the case of loss, such farmer would pay a higher rate than the area rate?

Mr. Greene: Those are my instructions. A province, if it so wishes, can provide for this kind of coverage, subject to the fact that the premium structure has to be approved by the governor in council. The premium structure must be calculated according to actuarial rules on an area basis, and a farmer would get coverage on his own farm based on those calculations. If such a policy were available, the premium would be higher.

Mr. Olson: I appreciate the minister's remarks to the effect that it would take some time to accumulate records required to set up the premium basis and the coverage offered. But suppose, in 1967, the first year by which these agreements would be operative, a farmer bought insurance on the basis of 80 per cent of the average yield in his area, at whatever the premium for that area happened to be. Then suppose that for some

reason he lost his crop because of a flood or a hailstorm confined, for the most part, to his own farm. He would not be covered because he had not elected an individual settlement when he bought his insurance.

Mr. Greene: If in its wisdom the province saw fit to make it available he would have that kind of alternative. Whether the province would do so we shall not know until the agreements have been settled. But it is possible to do so within the legislation as drawn up.

Mr. Olson: Turning to subclause (2) of clause 3, I note what the hon. member for Provencher has referred to as being, possibly, a little advertising. I do not know who the minister expects will get the benefit of this advertising but perhaps, in the back of his mind, he thought the credit might properly go to the Liberal party. Perhaps the minister would tell us what formula he intends to use to ensure that the provinces, who receive contributions under this measure, inform the farmers, who will benefit from this legislation, of whatever he thinks they should know.

Mr. Greene: I can assure the hon. member that I do not have in mind that there should be anything about the Liberal party, or even about the Minister of Agriculture, on the policy. But I think the farmers will support a measure of this kind better if they understand it completely. When everything is made clear, they are in a better position to pass judgement on it. I think it is extremely important that the policies should indicate clearly (a) the coverage (b) the actual cost of the premium and (c) who is paying for it, and in what proportion. This is the idea. It will be made clear within the policy so that the individual farmer can see exactly what he is getting, what it is costing him and what contribution is being made by agencies other than himself.

Mr. Olson: I take it the minister intends to state this on the back, or on the front, of every policy as issued. Is that the method by which he intends to make sure that every insured person knows where the contribution is coming from?

Mr. Greene: That is the thought behind it.

Clause agreed to.

On clause 4—*Definition of "extended coverage"*.

Mr. Barnett: Will the minister tell us briefly what the situation will be in the commercial fruit growing areas of British Columbia when the proposed section 5A comes into effect? Since there is no commercial fruit growing in my constituency I am perhaps not as well informed on this subject as I should be. In a general way this provision for coverage against the loss of an orchard of trees could be important to many areas of British Columbia.

Mr. Greene: Here, again, the extent and flexibility of coverage will be subject to the agreement with the province but the idea, as I understand it, is to enable fruit farmers in particular to cover the loss of their trees, not only with respect to the cost of replacement of the trees but against loss of income in the interval before new trees become productive.

• (8:10 p.m.)

Again I think there will have to be a broad area of coverage in order to make the policies saleable and attractive, because I think there is a wide variety as to the method of operations, and as to the extent which tree farmers rely exclusively on fruit farms for their income. It would be a very expensive policy that would encompass one year's loss of crop, plus the cost of replacing the trees, plus six, eight or ten years before another crop was produced. There will have to be degrees of coverage available so that each individual farmer can select what is best suitable to his particular operation, bearing in mind what he can afford to pay.

The attempt being made here is to make the clause as broad as possible to enable the most flexible agreements to be entered into with the provinces, so that policies will give as wide coverage as possible. We have not tried to be dogmatic and specific. We appreciate what is best for one region may be different from what is best for another.

Mr. Barnett: Has the minister's discussion with British Columbia led him to believe that this clause will be applicable in that province?

Mr. Greene: In respect of losses in the fruit tree areas, we have had extensive negotiations with the minister in B.C. As the hon. member knows, serious losses occurred there in the very recent past, and the experience in B.C. has been important with respect to our drafting of this clause. I feel certain the clause as drafted meets the needs of the B.C. fruit growers, to the best of our ability to draft it.

Mr. Barnett: Part of the clause reads:

—loss arising from the destruction in whole or in part of stands of fruit trees or perennial plants other than trees—

Is nursery stock covered by this? Losses have occurred recently in the southern area of Vancouver island where nursery stock is quite an important part of the agricultural industry, and these losses were due to an invasion of the balsam woolly aphis. Some nursery stock has been rendered unsaleable, and in fact has had to be destroyed. Further, the holly growing industry is important in certain areas in that part of the province. Would holly trees be classified as fruit trees?

Mr. Greene: The judicial officers who advise me in these matters say that wording the clause in this way encompasses such plants and crops as the hon. member has referred to, including nursery stock. The intent is to cover that entire ambit. I am no longer in the legal business and would hate to hazard an opinion whether the draftsmen have been successful, but that has been the intent.

Mr. Barnett: I do not have the advantage of knowledge of the law that the minister has, but trees which do not bear fruit might be ruled by a law officer to be excluded from the benefit of coverage.

Mr. Greene: It may be that my hon. friend has discovered something which has not been thought of previously. I shall take the matter up with the officers to see that this is the correct interpretation. As laymen sometimes do, the hon. member may have stumbled upon a legal defect, but I shall take the matter up with the officers concerned.

Mr. Mather: Will this clause be applicable to the small fruit growers in the lower mainland of B.C., such as strawberry growers, who were hard hit by crop losses a year or two ago?

Mr. Greene: I can assure the hon. member that the strawberry growers of B.C. were also very much in our mind because we heard much about their losses. I am not sure whether it is this particular clause which extends coverage to them, but I believe it does. Certainly they are covered somewhere within the ambit of the bill.

Mr. Johnston: A few moments ago when dealing with the loss of fruit trees the minister referred to an amount of income from other sources. Would this enter into any complete crop insurance system? One of the thorny problems with other aid programs is the amount of outside income which is taken into consideration. This is something that should be avoided and cease to be a factor in a crop insurance scheme. Possibly I misunderstood the minister.

Mr. Greene: I regret that I may not have made myself clear in this regard. I can assure the hon. member that under this legislation there is neither a means test or a needs test. The point I was trying to make is that we need the broadest possible flexibility with regard to coverage of fruit orchards in particular.

• (8:20 p.m.)

I understand there are many people who have small orchards which do not represent their total income, but which is additional to their income. The rest of their income may be derived through other farming, or through work in industry, and they may have a few acres in fruit trees. Such a farmer may not wish to have as expensive a coverage as someone who depends for his entire livelihood on fruit trees. Therefore, I think the widest choice should be available so that the man who does not wish to buy comprehensive coverage may have available to him a more limited coverage at cheaper rates. He may not want coverage which is as expensive as that required by someone who is depending on the crop for next year's living. I believe the widest choice should be made available to the people.

Mr. Olson: With respect to subsection (b) of section 5A in clause 4, where it says:

—loss arising when the seeding of summer-fallowed land intended to be used to grow an insured crop is prevented by excess ground moisture, weather or other agricultural hazards.

I am wondering whether it will be necessary for the farmer to state his intentions early in the season. When will the administrators of the crop insurance scheme in the province have to know whether or not the farmer intends to seed this particular parcel of land? What I am most concerned about is the word "intended". I am wondering what will be the interpretation of this word and whether or not there will be a date. Will it be May 15 or May 30, or when will a farmer have to make it known to the administration that he did in fact intend to seed this land. Surely most farmers in most areas will not be purchasing an insurance policy until they have the crop seeded.

Mr. Greene: Well, Mr. Chairman, again this is one of the areas in respect of which up until now many provinces have thought it would be impossible to insure in any meaningful way. One of the reasons it has been difficult to expand crop insurance into areas such as this has been the doubt as to whether or not it would be practicable. The best answer I can give is that the purpose is to permit the provinces to carry policies which have the maximum flexibility, so that the coverage can be such as to enable the individual farmer to meet his needs. I do not think I can give my hon. friend an adequate answer in respect of subsection (b).

Mr. Olson: What I am particularly interested in is whether or not a farmer will be able to buy insurance after it is clear that he would not be able to seed the land because of excessive moisture.

Mr. Greene: My understanding with regard to that specific question is that the only time he will be able to buy that kind of insurance will be prior to the normal seeding time, and that it would not be available to him thereafter.

Mr. Hales: In respect of section 5(a), it is my understanding that this covers fruit, but the word "fruit" is not included here. It says "fruit trees", but my interpretation is that it covers the fruit crop.

Mr. Greene: Subject to correction, I believe one could include fruit under the existing act.

Mr. Hales: I should like to have the point cleared up as to whether or not fruit definitely is covered. In subsection (b), we have the expression "ground moisture". It is one thing to have an act and another thing to administer it. In this regard I think the minister will run into one of the greatest problems he ever has had in enforcing an act. What does excessive ground moisture mean? I can see the minister as a lawyer in a court room developing an entire case around what is excessive ground moisture. To me this phrase is very wide, and should be narrowed down much more than it is.

I also feel that if you are going to give crop insurance to people with summerfallow, and it is flooded over one year, probably because it has not been properly tiled, and then the next year it is flooded over again, that man should tile the land. Is he entitled to insurance? I think this will be very difficult to enforce. We speak of fruit trees. How will their value be established? They may be young trees, half-bearing, or full-bearings trees. I think there is a real problem for the department in this.

Mr. Greene: Mr. Chairman, I have no doubt there will be problems. One of the small mercies within all this is that I will not have to administer it. It will be administered within the ambit of the insuring authority in the provinces. Again this is an attempt to broaden the scope of the act to enable the making of agreements which will give coverage in mixed farming areas in respect of fruit trees and forage crops which has not previously been available. In all fairness, and without taking anything away from the western farmer, I think I should say this act probably was more beneficial as previously drawn in respect of a one-crop farm, such as that which produces wheat.

The province of Manitoba used the act as it exists very extensively, and this was very encouraging. This is an attempt to break new ground in an area where up until now it has been thought that it would be too difficult to insure. Such being the case, I think undoubtedly there will be problems such as are envisaged by the hon. member. It must be remembered that in any particular area this must be actuarially sound; the losses must be covered by the premium structure. Certainly the insuring authority, be it a board, commission, or whatever administrative agency is created to administer the program, is going to have to assure itself that this scheme is acturarially sound.

With regard to the coverage involving excessive ground moisture, I think the policy itself likely will have to spell this out specifically. I believe we run into the same thing with a fire insurance policy which covers water damage. The arbitrating authority has to determine whether this is water damage caused to the items which are covered under the policy.

• (8:30 p.m.)

Certainly I am not trying to minimize in any way the difficulties or problems that will have to be faced in making available policies that give coverage for such things as excess ground moisture and an appropriate interpretation by the authority which will determine the loss—that of course will be the insuring authority—but I feel sure this measure will give an opportunity for broader coverage than presently exists.

While I feel very certain there will be difficulties such as the hon. member has

envisaged, I do believe this measure will make coverage available on a sound and effective basis. In early years of coverage I am sure there will be some problems in respect of forage crops, and that there will be some people who will feel that the coverage has not been what it should be. This always happens in respect of insurance. However, I do believe that this is the only way we can give an opportunity for coverage, particularly to eastern mixed farmers to whom it has not been available before, because the act was not sufficiently broad.

I am not minimizing the difficulties envisaged by the hon. member, but I feel confident we will be able to work these things out and thereby afford a wide choice of coverage on a premium structure which will be advantageous to many areas of agriculture which are now not covered under the act.

Clause agreed to.

Clause 5 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read a third time?

An hon. Member: By leave, now.

Mr. Greene moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

WAYS AND MEANS

House in committee of ways and means, Mr. Rinfret in the chair.

Mr. Benson moved:

Resolved, that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1967, the sum of $825,462,241.67 be granted out of the consolidated revenue fund of Canada.

Mr. Starr: Mr. Chairman, I wonder whether the minister could assure the house that this resolution is in the same form as resolutions of this type have taken in the past?

Mr. Benson: The bill to follow this resolution will grant full supply for the main estimates of the ten departments whose estimates have been approved by the committee of supply.

[Mr. Greene.]

One of the things this bill will do is point up the extent of the accomplishment of this parliament during the current session. The committee of supply has approved the estimates of ten departments including Citizenship and Immigration, Defence Production, Forestry, Indian Affairs, Industry, Legislation, National Revenue, Post Office, Privy Council and Veterans Affairs. What we are proposing by this bill is that full supply be granted for these departments, the estimates of which have been approved by the committee.

Mr. Knowles: Mr. Chairman, I think it should be said by at least one person that this is a welcome move and one which seems to me ought to have been adopted years ago. I refer to the approval of the estimates of those departments which have been finally dealt with by committee of supply. This should be noted in particular, in case someone makes reference in the press to the fact that we voted nearly a billion dollars in just a few minutes. What we are doing is finalizing what we have dealt with in great detail in committee of supply.

Mr. Benson: Mr. Chairman, I should like to point out that what the hon. gentleman has said is quite true. What is happening now is in effect the culmination of a great deal of effort by members on all sides of the house in dealing with supply for the departments mentioned. Let me also say that it might be appropriate in future, after this house approves the estimates of a particular department, to introduce an individual supply bill, thus recognizing the fact that we have dealt with the estimates of that department for a complete year.

Mr. Knowles: I have just one other comment to make. I take it that once we pass the bill to follow this resolution, any interim supply bill brought forward will cover a lesser amount than otherwise might have been the case?

Mr. Benson: Yes.

Resolution reported and concurred in.

Mr. Benson thereupon moved for leave to introduce Bill No C-224, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Motion agreed to and bill read the first time.

Mr. Benson moved the second reading of the bill.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am in agreement with those who are pleased to note a change in the formula and that we are not agreeing to twelve twelfths of certain requirements. I suggest that this new formula should be followed, but that it would be more realistic to follow it twice a year, rather than after the estimates of each department.

I do not wish to make a speech, Mr. Speaker, but—

Some hon. Members: Hear, hear.

Mr. Peters: By popular demand I shall now have to make a speech, and I appreciate the invitation.

One of the departments covered by the bill is Veterans Affairs. There is a great deal of concern in the minds of many veterans because they will not have the opportunity of speaking about a certain problem following the passage of this bill, in view of the fact that it covers the total appropriation for the Department of Veterans Affairs.

The problem to which I refer relates to something we have been talking about for several days, the old age pension increase. Certain veterans feel that an increase in old age pensions will be granted in some provinces through the passage of supplementary legislation by provincial legislatures, and that 50 per cent of that increase will be paid by the federal government.

• (8:40 p.m.)

Of course this will be fine as far as it goes, but I am told that the veterans have already been informed that if they receive this supplementary benefit as the old age pension increase, then their war veterans allowance will be reduced by the same amount. It seems to me a very sad state of affairs that the Department of Veterans Affairs should send out this notice on a nation-wide scale to compensate for the information which has been disseminated by another federal department through the provincial election machinery, all of which is not normal procedure. I think it has been generally agreed by all members in this house that veterans allowance is a reward for services rendered, that it is not gratuitous but that it is deserved by the veterans. This payment is made under very strict conditions and in a limited number of cases.

I should therefore like to know what remedy the Minister of Finance, or maybe the Minister of National Revenue, will apply to correct this situation in which provinces pay an additional supplement to the old age pensioners, and the veterans affairs department reduces the payment made under the War Veterans Allowance Act by a similar amount.

We have always tried to maintain the pension structure in such a way as to keep pace with the payments in other sections of our social security program. In my opinion the veterans of this country should not be the ones to be unfairly treated. For this reason I should like to receive some information regarding the intentions of the government in dealing with this problem, and an explanation of the stand taken by the Department of Veterans Affairs according to which the supplementary payments made by the province are deducted from the allowances of the war veterans. I do not wish to belabour the point, but I think it should be raised and answered because I think it is doubtful, unless pension legislation is introduced in this session, that there will be an opportunity to raise this matter.

This may be one of the reasons for the reluctance shown by the department in passing the estimates before this situation is clarified. I think veterans all across Canada should be assured that if there is any advantage to be gained from the additional amount being paid by the provinces, which I understand approximates $25, $12.50 of which would be paid by the government, this amount should not be reduced from the war veterans allowances.

What this measure means, in my opinion, is that the ceiling of the allowances which the war veterans collect is changed, old age pension and other forms of aid being included as income. They should therefore be assured that this limit will be raised sufficiently to allow the veteran the benefit of living in a particular province where this extra payment is made.

Hon. E. J. Benson (Minister of National Revenue): I should simply like to say, Mr. Speaker—

Mr. Deputy Speaker: May I point out that if the Minister of National Revenue speaks now, he will close the debate.

Mr. Benson: May I say, Mr. Speaker, that the questions raised by the hon. member are

certainly worthy of consideration by this government. I should also like to add that no government has been more sympathetic toward the position of veterans in Canada than has this government. The Minister of Veterans Affairs (Mr. Teillet) is a distinguished veteran. As the hon. member knows, he is now away in Europe paying proper tribute to individuals who gave their lives for Canada in the last two wars. I wish to assure the hon. member that the question he raised will be brought to the attention of the Minister of Veterans Affairs and of the cabinet in a most sympathetic manner.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

[*Translation*]

Mr. Grégoire: Mr. Speaker, we are told that there are no French copies of the bill. This is exactly the same thing that happened this afternoon.

[*English*]

Mr. Benson: I understand there are copies of the bill in French.

Clauses 1 to 5 inclusive agreed to.

Schedule A agreed to.

Preamble agreed to.

Bill reported.

Mr. Benson moved the third reading of the bill.

[*Translation*]

Mr. Grégoire: Mr. Speaker, before giving leave to proceed to the third reading of the bill—does this mean that from now on, when we come to supplementary estimates, as we are going to do immediately, according to the order paper, if we accept to proceed to the third reading of this bill tonight—we shall not be able during the study of supplementary estimates to analyse the expenses of the departments, the budgets of which will be approved tonight? Does this mean that, if we discuss supplementary estimates immediately afterwards, we shall not be able to deal with the estimates of the departments mentioned in the bill?

• (8:50 p.m.)

[*English*]

Hon. E. J. Benson (Minister of National Revenue): I should like to indicate what this procedure means. It means that these estimates, which were approved by this house, will proceed to final approval through a supply bill. Where, for example, a department may require a supplementary estimate for any particular item, then of course that department will be available for discussion. If, for example, a department obtained its supply through this particular bill and had no supplementary estimates, then it is completed. I think, Mr. Speaker, that this is just and proper. If the committee has completely considered the estimates of a department, then unless that department comes back for further consideration by way of supplementary estimates, the consideration of that department should be completed. This is really the only way in which we can proceed in a businesslike manner.

[*Translation*]

Mr. Grégoire: Mr. Speaker, in view of the fact that supplementary estimates will come before us immediately afterwards and also that I would have a few words to say as regards one department, and I would not like to delay the business of the house by speaking to this bill, I would ask that the motion for the third reading be made tomorrow instead of today.

[*English*]

Mr. Benson: I would like very much to have third reading of this particular bill so that it could go forward to the other place, where they might consider it. I would say, on behalf of the government, that if my hon. friend has anything to raise about any government department in this particular bill, the government will not object to his raising it tomorrow.

[*Translation*]

Mr. Grégoire: Mr. Speaker, in view of the goodwill of the Minister of National Revenue (Mr. Benson) and since what I had to say concerned precisely his department, I shall do so on consideration of interim supply with the permission of the Minister of National Revenue and, then, in view of the fact that the minister pledges to let me say a few words on interim supply about his department, we agree to give third reading immediately, if the minister agrees to our suggestion.

[*English*]

Mr. Benson: That is quite acceptable; I am sure he could not say anything derogatory about my department.

[*Translation*]

Mr. Grégoire: Mr. Speaker, if the minister provokes me into it, I am ready to do so right now, and I believe that what I have to say about his department will bring a little shameful red to his cheeks.

[*English*]

Motion agreed to, and bill read the third time and passed.

SUPPLY

INTERIM SUPPLY

House in committee of supply, Mr. Batten in the chair.

Mr. Benson: I move:

Resolved, that a sum not exceeding $1,662,982,-791.93, being the aggregate of—

(a) four-twelfths of the total of the amounts of all of the Items set forth in the Main Estimates for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament, not otherwise provided for, except Finance Item 15 for which the proportion is three-twelfths, and Transport Item 103 and Loans, Investments and Advances Item L40 for which no proportion is granted—$1,252,481,028.67;

(b) an additional four-twelfths of the total amounts of Dominion Bureau of Statistics Item 10, Mines and Technical Surveys Item 40, Loans, Investments and Advances Items L75 and L80 (Schedule A) of the said Main Estimates—$4,299,-333.83;

(c) an additional three-twelfths of the total of the amounts of Mines and Technical Surveys Items 15 and 70 (Schedule B) of the said Main Estimates—$1,902,250.00;

(d) an additional two-twelfths of the total of the amounts of Mines and Technical Surveys Items 55 and 75, Secretary of State Item 40, Loans, Investments and Advances Items L30 and L95 (Schedule C) of the said Main Estimates—$25,681,300.00;

(e) an additional one-twelfth of the total of the amounts of Agriculture Items 5 and 55, Finance Item 10, Fisheries Item 10, Justice Item 1, Mines and Technical Surveys Items 20, 25, 35, 45, 60, 80, 85, National Film Board Item 1, Northern Affairs and National Resources Item 15 and Transport Item 5 (Schedule D) of the said Main Estimates—$16,293,-229.17;

(f) seven-twelfths of the total of the amounts of all of the Items set forth in the Supplementary Estimates A for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$193,924,378.08;

(g) four-twelfths of the total of the amounts of Agriculture Item 35a, Defence Production Item 20a, Finance Item 4a, Mines and Technical Surveys Item 40a, Transport Items 102a and 103a (Schedule E) of the said Supplementary Estimates—$5,709,522.67;

(h) two-twelfths of the total of the amounts of Finance Item 15a, Mines and Technical Surveys Item 75a, and National Research Council, including the Medical Research Council, Item 10a, (Schedule F) of the said Supplementary Estimates—$8,459,-333.34;

(i) one-twelfth of the total of the amount of Loans, Investments and Advances Item L40a (Schedule G) of the said Supplementary Estimates —$966,666.67;

(j) seven-twelfths of the total of all the Items set forth in the Supplementary Estimates B for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$103,265,750.00;

(k) four-twelfths of the total of the amount of Loans, Investments and Advances Item L32b (Schedule H) of the said Supplementary Estimates—$50,000,000.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1967.

Mr. Danforth: I cannot allow this opportunity to pass, Mr. Chairman, without trying once more to bring before the government the sorry plight of the agriculture industry and the trouble it is having with the gap between the cost of production and returns from the sale of products. I should like to dwell for just a moment tonight on the fact that men who have been engaged in this noble industry are selling their farms for whatever the market value may be, and going to the cities with their families to try to obtain employment in whatever fashion they can in order to provide a living comparable to that of their neighbours. I am very much concerned that here, in the province of Ontario as in the other provinces of Canada, we find men leaving the land in ever-increasing numbers.

Tonight, I should like to dwell for a few moments on the troubles of the dairy industry. I do not wish in any fashion to display partisanship in relation to this subject, but to point out as honestly and fairly as I can some of the major troubles facing this industry. Certainly the government should be concerned over the fact that in the last 10 months that there have probably been dispersed, principally in Ontario, as many valuable dairy herds as in the preceding five years. Certainly something is terribly wrong when these men put on the market blood lines that are the results of perhaps two or three generations of concentrated work. The same thing is happening in the poultry industry. In the last three or four years perhaps half of the small producers of eggs in the province of Ontario have gone out of production. They no longer produce eggs even for their own consumption, because they feel it is no longer economic under the conditions that exist today.

These are not the so-called marginal and submarginal farmers; these are professional farmers. These are good farmers. These are

farmers whose family enterprises were the pride of the neighbourhood. What is wrong? Why are farm delegations approaching every provincial capital and the federal capital in the hope that some assistance of a financial nature may be forthcoming to relieve them of this terrible burden? I have before me a small table from which I should like to quote. It has been compiled by the Ontario Milk Marketing Board and I think, in some small measure, indicates what is wrong. I know there are many figures that can be cited pro and con. I know there are figures to show that dairy production units in Canada are receiving ever more money for their produce. These figures are available. However, the fact still remains that farmers are not receiving enough money to cover their expenses. These are figures put out by the Ontario Milk Marketing Board and they show that in the period 1955-65 the price received by farmers per hundred for milk has gone up 17 per cent. I believe it has. However, please note that in the same period farm wage rates rose 54 per cent; farm machinery prices increased 46 per cent; taxes and interest rates were up 58 per cent. The composite index for farm required goods and services rose 36 per cent. We do not need a mathematician to calculate that when this happens there is bound to be trouble in the industry.

• (9:00 p.m.)

There have been discussions in the house and questions asked of the Minister of Agriculture about his new dairy policy. There is no doubt in my mind and in the mind of every man in the industry that this government did try to do something to help the dairy industry. In other words the government was familiar with the problem which existed. But it has been found—I think there is general agreement on this on all sides of the house—that under the very workings of this policy not every farmer will get an average of $4 per hundredweight for his milk; this is not going to happen.

I would point out that the very report of the minister himself, whether intentional or not, and the advertisement carried in all of the trade papers in the field of agriculture across the country, led the milk producers to believe that they would receive a return of $4 per hundredweight for their milk. I should like to quote one of these ads put out by the Canadian Department of Agriculture, Ottawa, under the signature of the Minister of Agriculture. In large headlines it states:

> The new federal price support benefits all milk producers. Average return $4 per hundred.

[Mr. Danforth.]

On reading this, any dairyman would be of the opinion that he is going to receive $4 a hundred average return for his milk. When he does not receive that price, even though you tell him to read the fine print or put up any alibi you want, whether it is right or whether it is wrong, the farmer concerned will be of the opinion that the policy is not working for him.

I should go on to read the fine print because I know the Minister of Agriculture would wish me to do so in order to be perfectly fair. It states:

> The federal government, through export assistance and direct purchases of such products as butter, will create a demand which will enable processors to pay $3.25 per hundredweight of manufacturing milk with a 3.5 per cent butterfat content.

I must be absolutely fair to the Department of Agriculture and the minister, because I point out that it goes on to say:

> However, the government has no authority to set the prices processors pay producers. It is in your own interest to negotiate the best possible price for your milk through your farm organization.

That statement was made and perhaps it is the fact. However, the fact still remains that when the government asserted that the factory would pay the farmer $3.25 per hundred for his milk, and that the government subsidy of 75 cents a hundred would bring the price up to $4 average to the producer, every producer of milk felt that that was true. But when he goes to the factory and does not receive $3.25 for 3.5 per cent butterfat content, but only receives $3.08, or $2.95, or $2.60, his arithmetic soon tells him that adding 75 cents to that price cannot give him the prescribed $4 per hundred, and he feels he is being gypped. He feels this program is not giving to him what it promised him, and if that is the case then something is drastically wrong.

I maintain, Mr. Chairman, that if this policy is not being and cannot be administered so as to guarantee $4 per hundred, then the headlines of this advertisement should not have been worded in this fashion—that the new federal support benefits all milk producers and gives an average return of $4 per hundred. I maintain that this headline is misleading. The department that administers this act has assumed that the average price paid to the producer of manufactured milk will be $3.25 per hundred and that a subsidy of 75 cents will give them $4.

It is very easy to go to every farmer who produces milk and explain small details. The federal government says that the guarantee

of $3.25 lies within the purview of the provincial governments. The whole program is based on a price of $3.25 f.o.b. factory. This is where we run into the greatest difficulty. The federal government says that the provinces should see to it that the price is $3.25. The provincial governments say that they have no right to ask for an additional subsidy because this would create unfortunate competition between provinces. They say they cannot guarantee a price of $3.25 by legislation. The provinces say that because the federal government is paying a partial subsidy and promoting the price of $3.25, jurisdiction lies within the federal government.

The farmer does not care which government has authority or where the responsibility lies; they know that they are not getting $4 per hundred for their milk. I agree with them that something is wrong. That is the kind of policy which is driving the farmer off the farm. What the farmer needs is dollars, and they cannot get them by unfulfilled promises, misleading advertising or from quarrels about jurisdiction. The time has come when this policy must be changed.

I was very encouraged yesterday to learn in this house that there was going to be a meeting between the ministers of agriculture of Ontario and Quebec and the federal minister to look into this question. I think that this is a step in the right direction. This is where we have to act. We must work as a coordinated body not as individual segments. In this way the farmers themselves will have more of an opportunity to express their views and influence the governments.

This meeting of minds is nothing new, Mr. Chairman. This is the program which was initiated in 1961 when we were the government. We felt that since Ontario and Quebec were the largest producers of dairy products in Canada, the only method from which we could derive a system whereby the producers would receive a fair return was by having a uniform policy with both the provincial governments and the federal government playing their part.

The provincial government of Ontario—and I must give them credit for this—carried out their part of the agreement and tried to establish through the Milk Marketing Board a price of $3.25 per hundredweight f.o.b. factory. Unfortunately in the province of Quebec, instead of the government then in power establishing this price which had been agreed upon, it turned to a policy of direct subsidization of 35 cents per hundredweight in the wintertime and 17½ cents per hundredweight in the summertime, which threw the whole arrangement out of gear. It just could not operate in that way.

Yesterday, as I pointed out, we were encouraged by the fact that the minister of agriculture of the new government of the province of Quebec, as well as the minister for Ontario and the federal Minister of Agriculture are returning once more to the federal capital to look into this entire dairy program and into the reason that it is not paying $4 per hundred or more to the primary produces.

It is my hope that since he has a second chance the Minister of Agriculture will convince his colleagues that the policy which he has enunciated in its present form will not, and I maintain cannot, achieve the goal they were satisfied it would achieve.

I think that the ministers acted in good faith and were sincere in their belief—and I must give them credit for this—in advertising to the farmers, the primary producers, that they would receive $4 per hundred. But, Mr. Chairman, as a result of representations both outside the house and inside the house and from the provincial governments concerned, they must surely be convinced that other steps must be taken to guarantee the floor price of $4, which no one in this house on either side has, to my knowledge, has said that the farmers should not have. There seems to be unanimity of opinion in this regard; everybody feels that the farmers are entitled to this price.

• (9:10 p.m.)

My request to the government tonight is that it look at this matter in its proper perspective, that it make its own inquiries into the industry, and that it sees to the farmers getting what they want. The farmers who bring their problems to us are satisfied that they will not get what they want. And how is that, Mr. Chairman? How do they know they are not getting what they want? By the simplest and most positive way that I know. When they get their cheques in their hands, those cheques do not add up to $4. If the cheques do not add up to $4, then this is not a good policy. Farmers are not considered, whether the matter falls within provincial or federal jurisdiction. All they know is that they are not getting $4. My sympathies are with the farmers, Mr. Chairman.

Now that the minister has had an opportunity of learning what the problem is from

the ministers of Ontario and Quebec, who are closely associated and connected with this matter and who are constantly meeting with members of the dairy industry, I hope that he has learned that the formula devised by the government is not working. I hope he will devise ways and means of achieving the objectives that all members of this house wholeheartedly desire, namely that the dairy farmers receive a minimum price of $4 per hundredweight.

It is to be hoped, Mr. Chairman, that the National Dairy Commission, as introduced by this government, will in 12 months have had an opportunity of achieving its desired purpose of administering the entire dairy industry in Canada.

In conclusion I want to say this: My plea tonight was on behalf of the dairy farmers. Every other segment of industry in Canada today is in a terrible economic squeeze, and something has to be done. Mr. Chairman, something has to be done now. Farmers face increased prices on everything they buy; they face increased taxes, higher labour costs, higher prices of farm machinery, and they are facing a desperate strait. When I see in my own neighborhood dairy herds that have been established for two or three generations being indiscriminately sold on the market because the family no longer thinks that it is economically feasible to keep those herds, there is something terribly, terribly wrong. As mentioned by the hon. member for Oxford, these herds are being exported out of the country. They are not being bought by neighbours, friends, or anybody going into business. They are lost to us.

I am sure the government can quote figures showing that the situation is not as bad as portrayed, and that production is almost the same as one year ago. The increase in production has been slightly under 3 per cent. This increase in production is caused by the fact that farmers are selling the less productive animals and keeping the more efficient ones. Farmers are deperate, trying in every way possible, by additives to feed, by fertilizing pastures and by a varity of methods, to increase production per annum in a desperate attempt to survive. This maintenance of production, as in many other sectors of the country, is not permanent. It is only temporary, because it is the last ditch stand of Canadian agriculture. Unless help comes from the provincial or the federal level this country will be importing all its food at a very high cost, to the shame of those men responsible for the collapse of this once great and proud industry.

[Mr. Danforth.]

Mr. Winkler: I would ask the hon. member a question, Mr. Chairman.

Mr. Greene: Did you give him notice?

Mr. Winkler: No. I did not give you notice, either. Referring to the conclusion of the hon. member's speech, does he not feel, because of the constitutional problem in regard to subsidies and because of the minister's promise during the election campaign, that the minister should take over the total responsibility, not only as it relates to subsidies but also in whatever other areas are concerned, in order to bring the $4 a hundredweight to the producers?

An hon. Member: That was a nice speech, Eric.

Mr. Winkler: Thank you.

Mr. Danforth: May I answer this question? The fact remains that the quarrel about provincial and federal jurisdiction is of minor application in the field of policy. The federal government states, and I believe correctly, that within the law it cannot establish a price at any level, whether it be f.o.b. the factory or f.o.b. at the front gate of the farm. At least, the government cannot do this without going into the field of provincial jurisdiction. Perhaps this is so.

On the other hand the provincial governments claim, I think equally correctly and equally within the law, that if the federal government is taking measures under the Agricultural Stabilization Act to promote a price which this act says may be paid, but not "must be paid", then they will not accept the same degree of responsibility as they should.

If the government is providing a method of maintaining a price to the farmers by having legislation saying that it may, will, or can establish a price, but not saying it shall or that it must, the division is too fine, and the farmer understands only that he has got a certain number of dollars in his pocket. That is the attitude he takes.

Mr. Winkler: The minister should keep his promise.

• (9:20 p.m.)

Mr. Benson: As I should have done before, I should like to thank hon. members, including the hon. member for Kent, Ontario, for allowing me to introduce my resolution. I

very much enjoy sitting here and listening to the hon. member for Kent, Ontario, criticizing the provincial government in Ontario.

An hon. Member: You do not understand.

Mr. Winkler: You are against the farmers.

Mr. Benson: Not at all. I love all farmers having been a farmer in my youth.

Mr. Chairman, I should like to say, as I should have said when the resolution was introduced, that the resolution is with respect to interim supply in the amount of $1,662,982,791.93, which will carry us through to October 31, 1966, and deals with all departments other than the departments which were just previously approved by the House of Commons, with respect to expenditures for the current year.

These expenditures which are included as interim supply are amounts required by the departments in order to carry on their ordinary business until October 31, 1966. I wish to assure hon. members that the granting of supply with respect to individual items in these estimates will not in any way preclude debate on the particular items in future, when supply is brought forward in order to complete the matter.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I cannot let this opportunity pass without expressing my disappointment about the dairy policy of the present government.

When the minister announced the $4 per hundredweight policy, he assured us that all farmers would receive that amount. And even today we are still trying to make him understand that some farmers, or most of them, are not getting and will not get those $4. And in spite of that I notice that the minister seems convinced that the farmers who are not getting those $4 are probably to blame because, as it was said this afternoon in committee, if the producers, the processing plants do not pay the amount of $3.25, the farmers should bring some pressure to bear on the processing plants to get it.

That, Mr. Chairman, is an answer which surprised me greatly coming as it did from the minister. And he tells us to clear himself that the setting of the price by the plant is not a matter of federal jurisdiction. He is right about that. But such is not the case at all when he publishes in all the newspapers his announcement to the effect that from now on farmers will certainly get $4 per hundredweight for their manufacturing milk.

And we are trying to prove to him—besides we have the evidence—that right now in my region it is impossible for the farmers to get those $4. As a matter of fact, I have here the photostat of a document showing the amount paid to a farmer; he gets exactly $2.86 per hundredweight plus 75 cents added to that. That is far from the $4 guaranteed by the minister. That is for one plant only and it varies from plant to plant.

Well, I say that the minister spoke to the newspapers to get some publicity. It would have been much better to say: We are just giving 75 cents and we are not responsible for the rest; we do not guarantee anything and it is impossible to guarantee anything because it is a matter of provincial jurisdiction. Once again you are getting into a provincial field. Therefore you cannot guarantee anything. All you can guarantee is 75 cents. Why not say it and then you will not get all the farmers mixed up. Just say: We are paying 75 cents. It remains for the provinces or the farmer associations to reach an understanding with the plants to get the best possible price.

Thus, you will not disappoint a whole region. The farmers tell us: They promised us $4 and look at what we are getting. It is not what they are getting now which is abnormal but the promises, the advertisements which have warped the farmers' views.

I wish to say to the minister tonight that we have proofs and that he must have some too because there have been complaints.

I have here the periodical *La Terre de Chez-nous* dated June 29; it is the organ of the Catholic Farmers Union, the largest farmer organization in my area. It states that the milk policy of Ottawa is inadequate. That is clear. It is inadequate. In this publication, the milk policy is discussed on two and a half pages. I shall not impose the whole thing upon you, but I shall read the significant parts. On the front page, it says:

> At a regular meeting held in the head office, on June 6, the executive committee of the C.F.U. took note of the results of the recent efforts undertaken by its representatives in Ottawa. On that occasion, the members of the executive committee were informed that a meeting with the Minister of Agriculture in Ottawa, the Hon. J. J. Greene, produced no practical results.

Well, that is factual, sir. They came, they stated that they had obtained no practical results. It was then unanimously resolved to send a telegram to the Minister of Agriculture. The telegram was published in the

June 15 issue of *La Terre de Chez-nous*. We are re-stating it here:

Hon. J. J. Greene
Minister of Agriculture
Ottawa

The C.F.U. executive committee, meeting this week in Montreal, has considered the latest development of the 1966-67 federal milk policy. It was also informed of the results of last meeting between yourself and Messrs. Lionel Sorel and Roger Perreault. The C.F.U. executive committee considers present Ottawa policy clearly unsatisfactory, because it will not ensure the remittance price of $4 per hundredweight for manufactured milk and particularly unfair to important groups of producers, such as cream shippers and producers whose milk is powdered through the cylinder process or processed into casein, etc. . . . Stop

• (9:30 p.m.)

In such circumstances, the C.F.U. executive committee has decided to inform and warn all Quebec farmers and their regional and local organizations to consider means to obtain satisfaction, that is a guarantee by the Ottawa government of $4 per hundreweight for all industrial milk, in view of totally unsatisfactory results so far achieved regarding the demands and expectations of the producers. Lionel Sorel, General Chairman of the C.F.U.

Mr. Chairman, if these statements are not proof of the discontent and dissatisfaction of the Quebec farmers, I wonder what the minister is waiting for to at least try another survey and, for that purpose, the minister must first of all recognize that the farmers are not getting and cannot now get $4 per hundredweight.

I think the minister will have to meet again with the organizations, because if a price of 75 cents per cwt. is unsatisfactory, another basis will have to be established. If it is truly wished to help the dairy producer, he cannot be left any longer in doubt owing to the prices being changed from week to week by manufacturers, processors or, at least, the minister should not say he wants to help the farmers. Nowadays, farmers are expecting action from governments. One thing surprises me on the part of manufacturers. I wonder whether it would be possible, during federal-provincial meetings or conferences between Ministers of Agriculture, to see to it that a processor is obliged to pay a certain price, if a minimum price is finally to be established for the milk producer. Otherwise, I feel that any federal reform on the present basis is absolutely worthless, because it is realized that as soon as the federal government offers a 20 cent subsidy or increase, manufacturers and processors reduce their prices by 20, 25 or 30 cents.

[Mr. Gauthier.]

Consultations will have to take place at all costs so that farmers no longer will be the victims of such haggling. Mind you, I am not accusing the federal government any more than provincial governments, but I say that some action will have to be taken so as to urge milk processors to stop any such haggling with, and pilfering of the farmers by all sorts of means. The latter is being short-changed on the butterfat content, in a word, he is being cheated in every way in an attempt to recover 10, 20, 30 or 40 cents. It seems to me that the various Departments of Agriculture, both provincial and federal, should come to an agreement to try and guarantee a reasonable price to our farmers so that not only would they no longer be exploited but could sell their production at a fair price.

Mr. Chairman, I wanted to call this particular point—actually it is the one about which my electors feel most bitter—to the attention of the minister.

I do not know whether the situation is worse in Quebec than in the other provinces but, to my mind, the evil is widespread. According to some of the members on various committees, it seems general, and I do know that, as far as Quebec is concerned, all our associations are clamouring for help from the federal government. Let us start with something definite, then we can find out what the Quebec government can do in this respect.

One more word about the farmer to prove, in passing, that if Quebec farmers sometimes complain, they have a right to do so, because they are often treated most unfairly. We have proof of this in the report of the Minister of Finance (Mr. Sharp) on loans granted under the Farm Improvements Loans Act.

We have been saying for four years that when it comes to collecting taxes, Quebec is right there in the forefront, but when it comes to giving the people something in return for their taxes, then it is quite another story. In the field of loans guaranteed by the federal government, out of 46,285 loans made in 1964, Quebec has had exactly 873 compared to 1,224 in British Columbia, 13,528 in Alberta, 14,790 in Saskatchewan, 6,181 in Manitoba, and 8,473 in Ontario. And some claim that Quebec has its share, that Quebec is well protected. Well, if that is the general opinion, you can be assured, Mr. Chairman, that it is not the opinion of Quebec farmers. And the proof is there. Every time we can

obtain details, we notice such glaring inequities with regard to assistance to farmers, the other provinces come first and the Quebec farmers get only the crumbs.

Well, I suggest that the present Minister of Agriculture will have to look after the province of Quebec if he does not want to lose support of 100 per cent of its farmers because if things do not improve, we will urge Quebec farmers to look after their own needs, to withdraw their federal taxes and to look after their own business as it is no use counting on receiving help from the federal department.

[*English*]

Mr. Greene: Mr. Chairman, I quite appreciate the fact that hon. members who have spoken are most concerned with the problems of the farm community, as indeed am I, and as I am very certain the government is. I quite appreciate that in many respects the farming community has not kept abreast of the burgeoning income and very prosperous and buoyant economy we have enjoyed in the last couple of years.

It may be in the nature of things that when an economy expands very rapidly, when industrial wages and industrial prosperity grow up at the pace they have in the past two years of full employment, the farm community is slower to catch up than many of us would like. Hence I share the concern of hon. members opposite for the needs of the farm community, for the importance in seeing to it that we have policies which enable the farmers of this country to enjoy the very high standard of living and the great economic opportunity that have been afforded to their confreres in the industrial world in the past two or three years under this administration.

But, Mr. Chairman, I think we do little service to the farm community, and I think I know enough of the farmers now and the integrity with which they are prone to behave, if their case is misrepresented. I think we do the farm community the greatest service if we put their case on a factual basis, and I have every confidence in the rest of the Canadian community, and the Canadian public at large, that if we put the case of the farm community on a fair, honest and upright basis, other sectors of the Canadian economy do not wish to be subsidized by that farm community.

• (9:40 p.m.)

I do not think other Canadians would want the farm community to live at a lower standard of living than they do. I feel sure that if their case is put honestly and fairly before the Canadian public, the Canadian public would wish that the policies of government and otherwise would be such that the farming community would be able to enjoy every opportunity they enjoy in the other booming sector of the economy. Therefore, Mr. Chairman, I think it is incumbent upon me to set the facts and the record straight in this regard in the interests of the farmers of this country. I think that is the way they would wish it.

There has been some reference to the government's dairy policy. To the best of my ability I should like to set the record straight in this regard. In the first place, as has been said by many more able and better men than I, this is a very difficult country to legislate in in respect particularly to marketing legislation of any kind, by virtue of our constitution and the judicial interpretation of our constitution, especially the judicial interpretation of the constitution with regard to the farm marketing legislation made in the 1930's.

I think all would agree, as did the hon. member for Kent (Ont.) quite candidly, honestly and forthrightly, there is no power in the federal government to fix prices within a province. The other day I think the hon. member for Grey-Bruce read a portion of an article from the *Canadian Farm Economics*. Although I feel sure he did not do this deliberately—possibly it was because he did not have time to read it all—I believe he may have left some misconceptions on the record. He read from page 11 of the *Canadian Farm Economics*, volume 1, number 1, of April 1966, published by the Economics Branch of the Department of Agriculture. He read as follows:

> The Federal Government has jurisdiction over the market for manufactured dairy products—

I believe the record indicates that that is as far as he read. I feel sure he would want me, in the interest of stating the whole picture correctly in *Hansard* to read the rest of the paragraph. That paragraph says:

> The Federal Government has jurisdiction over the market for manufactured dairy products to the extent that products move interprovincially and into export markets.

I feel sure he would want me to add those latter words in order that the record be very clear that milk products of all kinds within a province are purely within the ambit of provincial jurisdiction.

Now, Mr. Chairman, we have had some representations by the hon. member who last

spoke, and some inference by the hon. member for Kent, Ont., that the government's policy as announced and as advertised in some way misled or was intended to mislead. I should like to quote from my statement in this house when I enunciated the government's dairy policy on March 23 at page 3041 of *Hansard*. At that time I knew the interest of members opposite and knew that they would want to know exactly what this program was and how it would be carried out. The words I stated were:

> The support level will provide for an average net return of $4 per hundred pounds—

As all advertisements have said.

> —of manufacturing milk testing 3.5 per cent butterfat content, basis f.o.b. the factory.

I cannot think of any way in which it could have been put more plainly than that. In order that there might be no misconception, no misunderstanding, and no delusions in this regard, I further stated as follows:

> The policy will apply in general as follows:
>
> For producers of manufacturing milk, the board—

This is the stabilization board.

> —will take measures designed to permit processors to pay a price of $3.25 per hundred pounds for 3.5 per cent manufacturing milk. Direct payments to producers from the board of .85 cents, minus a 10 cent export assistance levy, will be used to bring producers' average net returns up to the $4 level.

Again, so that there might be no misapprehension and so that all members of this honourable house would have the policy as clear as crystal in their minds, I enunciated the following caveat:

> However, the federal government has no authority to set the prices that processors pay to producers. I feel it is important, therefore, to stress that it is incumbent upon producer groups and boards to do all they can to see that this market price level is achieved.

I can think of nothing which could have been clearer than that. This is exactly what has happened and is what we have done. I feel sure that if hon. members wish to be candid about the policy, how it was enunciated and how it has come to pass, they will agree that we have done exactly what we said we would do, which was the only approach we could take within the ambit of our constitutional responsibilities.

Again, with regard to the needs of the farm community, let me make it very clear that this program means the farmers of Canada will get between 14 and 15 per cent more gross return for their milk, and therefore for their manufactured milk, this year than they did last year.

Some hon. Members: Hear, hear.

Mr. Greene: I heard considerable comment from the other side with regard to labour wage settlements which invoked an alleged 30 per cent increase over a two year period. I think that surely on this side of the house we can be rather proud that even though these wage increases for labour were very appreciable we were able this year to give to the dairy farmers of Canada the same increase in the nature of 15 per cent. I would point out, Mr. Chairman, that this involves the spending by the federal government of some $90 million which again is a very very considerable sum. I think it is an indication of the concern that this government has for the farm community of Canada, for the eastern farm community of Canada which had been so badly neglected in past years, that it saw fit to establish at the federal level a program that would benefit the dairy farmers of Canada.

Again let me set the record straight by placing some statistics before hon. members of this house. When we talk about the price of farming products let us remember that in respect of the dairy policy of the federal government in the days when the hon. gentlemen opposite were in office, just as now, the government did the only thing it could do at the federal level; it set the price f.o.b. the factory. So, any recriminations which are coming now are rather hollow in the light of the fact that when the gentlemen opposite had the responsibility their policy was geared to this basis just as it always must be at the federal level.

• (9:50 p.m.)

Let us see what has happened in respect of price since we have been in office. When we assumed office the net return to the farmer for manufacturing milk at the farm gate, at the farm house, was $2.70 in 1960. It was $2.68 in 1961—not too great improvement in that year by hon. gentlemen opposite. It was $2.64 in 1962—down 4 cents. That was not a very good year for the eastern farmers when hon. gentlemen opposite were in office. In 1963 it was up one cent to $2.67. In 1964 it went up to $2.77, and last year with the supplementary payments it went from $2.77 to $3.26.

Some hon. Members: Hear, hear.

Mr. Danforth: May I ask the minister a question?

Mr. Greene: I do not have much time and I should like to complete my statement.

Mr. Danforth: The minister is misleading the house.

Mr. Greene: This year the price at the farm gate will average somewhere in the neighbourhood of $3.75 with an average transportation cost of 25 cents. This leaves an average price increase of 50 cents which is the highest in the history of this country.

I do believe that the records should be set straight. The United States to the south of us has the highest standard of living in the world and the highest wage structure. Wages in the industrial sector are such that our industrial workers crave parity with their counterparts in the United States. Let us compare what we have done for our dairy farmers in marketing milk with what has been done in the richest nation of the world.

As of April 1 this year when our policy became a $4 policy f.o.b. the factory, the United States policy—I am not criticizing them in any way because they are doing a wonderful job—was $3.50. Singularly important is the fact that just four days ago, three months after this government gave leadership in this regard, the United States amended its policy and pushed up their support level. They make no direct payments such as we do here, in order to keep the cost to the consumer down. The United States increased its support level so that in respect of 3.73 per cent milk, which is a higher percentage than ours, the level will be $4. With 3.5 milk the level would be somewhere in the neighbourhood of $3.75, or 25 cents lower than ours.

I am not saying for a moment that the needs of the farmers are not great or that we here in this house and this government need not do all that we possibly can to improve their lot. I have said on many occasions that I would be the first to agree that farmers of this country have not kept up on a commensurate basis with improved income conditions in this country, or with the lot of their industrial counterpart. Again the record should be set straight and I am sure the farmers would want it that way.

Let us see what the income of the farmer was when hon. gentlemen opposite were in government and let us see what has happened to it since. I refer to statistics contained in a pamphlet entitled "General Information on Agriculture in Canada", prepared by the economics branch of the Canada Department of Agriculture. It is dated October, 1965.

The total income of farmers in millions in 1959 was $2,791. It went down to $2,777 in 1960. That was not a very good year. It went up from $2,777 to $2,952 in 1961, an increase of roughly $180. In 1962 it went up to $3,116; in 1963 to $3,185 and in 1964 it went up to $3,456. Let me point out that during the period of time following our assumption of office the farmers' income position improved by 23 per cent.

Let us take a look at the cost of farm operations during the same period of time. According to the statistics I have in this same pamphlet farm costs during the same period increased by 22 per cent. Hon. members are 100 per cent correct, and I quite agree, that during the same period the industrial worker did not just hold his own as did the farmer; he surged ahead. This is the kind of thing we must do for the farm community as well.

I want to make sure that the complete story is told in an accurate way, and I know that hon. members, just as do the farmers, want the same thing. There has been some difficulty with respect to manufactured milk even since our policy was announced. I am not suggesting that we have achieved a millennium. I hope to do much more for our dairy farmers if I am able, have the ability and can see how to do that. Every farm organization in the country supported our policy which was based on the recommendations of the Federation of Agriculture and the Farmers Union of Canada. They approved this policy and I still believe that it is no worse two months later than April of this year.

What has happened in the interim to create the difficulties which have exercised hon. gentlemen opposite? The province of Ontario fixed a price, quite properly, as we anticipated it would. I commend the minister of agriculture of that great province for so doing. The province of Quebec has special conditions in respect of the production of casein, which is a submarginal product. Unfortunately that province, rightly or wrongly, felt it could not fix the price.

The province of Quebec decided to pay a special subsidy, as an hon. gentleman has said. I did not intend to discuss this matter until the hon. gentleman did so, because I think that is the source of many of the problems with which that hon. minister is faced. In any event, the payment of this extra subsidy in that province has influenced the

Ontario dairy farmers to suggest that if Quebec can pay an extra subsidy of 17½ cents in the summer and 35 cents in the winter, the rich province of Ontario ought to be able to do likewise. I do not intend to minimize the problems of the minister of agriculture of Ontario, but this is one problem he has encountered. I should like to see the day come when stabilization programs are completely federal, because I think they would work best that way. In any event, the province of Quebec decided in its wisdom to pay these subsidies and Ontario farmers are now asking for the same.

Some Ontario manufacturers increased the cost of transportation to the farmers and cut off the subsidies on farm storage tanks. The Milk Marketing Board of Ontario has now enacted a regulation to prevent added transportation costs from being tacked on the farmers' costs. Surely this is a clear admission that this is the responsibility of the province. They have now quite properly assumed that responsibility. With those facts being as they are, it would be completely incorrect to imply that these added costs of transportation were in any way within the control of the federal government.

I saw statistics today in respect of the province of Quebec which indicate that not everyone is receiving $4 per 100 pounds. There are marginal areas where there is no competition or market for milk, and because the province of Quebec has not seen fit to fix the price the producers in those areas are receiving less. On the other hand, these statistics show that 80 per cent of milk produced in the province of Quebec is being sold by the farmer for $3.25 or more. They are receiving in addition 75 cents per 100 from the federal treasury and 17½ cents from the province of Quebec.

Eighty per cent of the milk is getting $4.17 or more from the province of Quebec.

Some hon. Members: Hear, hear.

Mr. Grégoire: May I ask the minister a question?

• (10:00 p.m.)

Mr. Greene: I should like to finish my statement, first, if I may, and then I will answer all the questions you like.

I do not wish to minimize the difficulties with which the minister of agriculture in the province of Ontario is faced. I say, with all candour and irrespective of political persuasion, that I found him to be an extremely capable gentleman and a fine minister of agriculture. I have tried to work with him, and I am sure he has tried to work with me in the best interest of the farming community. It is an unfortunate set of circumstances that the provincial subsidy paid in the province of Quebec has made life politically difficult for him. As I say, I did not intend to raise this matter or to add in any way to his problems until the hon. member for Kent, Ont., raised it in the house tonight, and I therefore felt bound to defend our position.

I do think that this problem between Ontario, Quebec and the federal government has to be worked out. I do not think they contribute to its solution by trying to shove the blame on to the federal government so as to get rid of the difficulty which exists between the two provinces. I realize that that is the name of the game, and that is what they are trying to do. I do not think this will contribute to an ultimate solution which will be in the best interests of the farmer. We have to arrive at some method whereby the stabilization program will be handled at the federal level without provincial subsidies upsetting the applecart. In saying this, I take the very same view as that taken by the Ontario minister in the current year. We may have to find some method of effecting the resolution of this difficult imbalance in Ontario. We have to look into the question of whether the support price enables the factories to pay $3.25, because that is the policy to which we are pledged. If the support price is not sufficient, we will review and revise it whenever necessary to enable the factories to pay that price.

I think, Mr. Chairman, that our policy is the best ever conceived. It is one that is even superior to the policy in the United States of America. It is the greatest increase that the dairy producers have ever received in any one year. I disagree with the allegation that the program has deteriorated in the last two months. It is what the dairy community of Canada wanted, and we have given it to them. I do not think we are doing any service by trying to tear down the federal program because of these teething problems that have arisen between Ontario and Quebec. I think this criticism will in the long run be doing a disservice to the farming community, rather than remedying the difficulties as we should all be trying to do.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I listened to the Minister of Agriculture (Mr. Greene) most

admiringly, but I may say that the progress he has just reported is more a product of his imagination than a reality on the farms of Quebec and Ontario. This progress exists in his mind, but let him go and see the farmers of our regions, and he will not find it.

My hon. friend, the member for Roberval (Mr. Gauthier), mentioned earlier the official organ of the Quebec Catholic Farmers Union, *La Terre de Chez Nous,* which bears the headline:

The Ottawa dairy policy is inadequate.

I think the minister should take the trouble to go and see what is happening with our farmers, instead of merely consulting his technical advisers who live within four walls in an office of the federal Department of Agriculture and have no contact with the conditions prevailing among our farmers.

They mention the increase of the price of milk, but they forget to tell us about the increase in the present cost of producing one hundredweight of milk in Canada. They say: there has been an increase in industry. Yes, but this has brought about an increase in the cost of producing one hundredweight of milk, and the minister gave us no statistics on this subject, because he would have noticed that the production costs have increased far more than the sale price for our farmers.

The minister tells us that the Quebec farmer receives $3.25 per hundredweight of milk, that the federal government pays a subsidy of 75 cents and that the Quebec government pays another subsidy of 17½ cents, which makes a total of $4.17½ per hundredweight of milk, but I challenge the minister when he says that 80 per cent of the farmers receive such an amount of $4.17½ per hundredweight of milk; I challenge him to stake his reputation on the fact that 80 per cent of Quebec farmers receive $4.17½ per hundredweight of milk.

We know that the amount is not $3.25 but $2.86—

[*English*]

Mr. Greene: I rise on a point of privilege, Mr. Chairman. In order that my hon. friend, who I am sure is not doing it deliberately, does not misquote me, may I say that I saw figures this morning which established that 80 per cent of the milk that is sold in the province of Quebec receives $3.25 or more at the factory. Again, the producers of this milk will receive the 75 cents from the federal government and 17.5 cents from the provincial government. This, of course, is f.o.b. the factory, as all the prices I have stated are, except the one set of statistics we transposed, to show the difference between 1959 and 1965.

[*Translation*]

Mr. Grégoire: Mr. Chairman, that proves exactly what I said earlier: the minister knows what happens in his office but he is unaware of reality. Besides, is the minister referring to manufacturing milk or fluid milk? Because we have here reports dealing with manufacturing milk, and the amounts indicated are not $3.25 but $2.86. I am asking again the minister if he is ready to stake his reputation on the fact that 80 per cent of Quebec farmers receive $3.25 per hundredweight, that is $3.25, plus 75 cents, plus 17½ cents for their manufacturing milk. Is the minister ready to stake his reputation on that since he is the one who asserts that 80 per cent of our farmers receive—

Mr. Berger: Eighty per cent of the production not of the farmers.

Mr. Grégoire: —of the production—

Mr. Berger: Exactly, that makes a difference.

Mr. Grégoire: —receive $3.25, plus 75 cents, plus 17½ cents. And I should like to know from the minister what he means by milk. Does he refer to manufacturing milk or fluid milk because the two are not quite the same.

[*English*]

Mr. Greene: I rise on a point of privilege again. I am not sure whether the translator is making the error or the hon. member is. I said that 80 per cent of the manufacturing milk that is sold in Quebec receives $3.25 at the factory without any subsidy. Now, how many farmers deliver that 80 per cent of the milk, whether it is 70 per cent of the farmers deliver 80 per cent of the milk or not, I have no statistics to show. I am only quoting statistics of which I am certain. I said 80 per cent of the milk receives $3.25 without a subsidy.

[*Translation*]

Mr. Grégoire: Mr. Chairman, would the minister tell me where he took his statistical data?

[*English*]

Mr. Greene: I saw the records at our conference with the provincial ministers, and I accept them as reliable. They came from the province of Quebec.

Interim Supply

• (10:10 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, if the minister wants to quote statistics in this house, he should also be ready to give the source of such statistics. Otherwise, how can we know what they are worth? He did not quote the source of his statistics. What is the source of his statistics, that is what we want to know from the minister.

Mr. Trudeau: Statisticians.

[*English*]

Mr. Greene: Mr. Chairman, they were used at the Quebec conference and I am satisfied they are correct. I do not know whether the hon. member has more authentic statistics. I have listened to some questionable evidence which he quoted earlier this evening, but if he has any more reliable statistics I would be interested to see them. However, if his statistics are no better than his usual fiscal theories they will not be too good either.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would like to ask the minister if one must conclude from this that the Quebec minister of agriculture, who was in Ottawa today, showed him statistics indicating that 80 per cent of manufacturing milk in the province of Quebec got a minimum $3.25 per hundredweight, plus 75 cents in the form of a subsidy from the federal government and 17½ cents from the provincial government.

Must we conclude, Mr. Chairman, that those figures were given to him by the Quebec minister of agriculture?

Mr. Chairman, I think that our statistics are worth more than the minister's, because ours come from the farmers. As a matter of fact, they tell us: The policy of $4 per hundredweight of milk has never been applied and we are far from getting $4 per hundredweight of milk.

I think that the best statistics are what the farmer is getting. That is what I call statistics. The way they are compiled is probably another matter, but what the farmer is getting is what counts. Here is the concrete, realistic and practical fact of life: how much the farmer is getting for his manufacturing milk. Those are statistics for you.

Mr. Chairman, the minister has given us comparative figures. I would also like to give him the increase in the farmers' production costs.

[Mr. Greene.]

Since the minister does not want to give us an answer, I would also like to have the opportunity to check if his statistics were given him by the provincial minister of agriculture. He told us: that was given us at a meeting with the provincial minister of agriculture, but he did not tell us if that was given him by the provincial minister of agriculture. That makes all the difference.

Mr. Chairman, we want to check the few facts given by the minister; we want to have the opportunity to pursue that matter and that is why I ask you to call it ten o'clock.

Some hon. Members: Ten o'clock.

[*English*]

The Deputy Chairman: Order. It being ten o'clock, shall I—

Mr. McIlraith: Mr. Chairman, I wonder whether there is any disposition to go a little further with interim supply tonight for a few minutes.

Some hon. Members: Agreed.

Mr. Grégoire: Ten o'clock.

The Deputy Chairman: Does the committee agree to proceed for a few minutes?

Mr. Starr: Mr. Chairman, before we proceed I think we should know just when we should stop. It might not be fair to any other hon. member who might wish to speak if it was suddenly decided that we should call it ten o'clock.

Mr. McIlraith: I would prefer to go until eleven o'clock, but if members want to fix another period—

Mr. Starr: Agreed.

The Deputy Chairman: Is it agreed by hon. members of the committee that we sit till eleven o'clock?

Mr. Grégoire: Ten o'clock.

The Deputy Chairman: There does not seem to be unanimous consent to enable the committee to sit.

Mr. Winkler: Who is voicing objection?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I must tell you that personally I would have no objection to continue until eleven o'clock. The only reason why I asked to call it ten o'clock

is that I wanted to check some statistics given by the minister; I also wanted to check statistics about the increase in the cost of production. Even if we are to sit until eleven o'clock tonight, I would have no objection to doing it tomorrow, but since we are not going to finish tonight, I do not understand the request to extend the sitting.

[*English*]

Mr. Winkler: Let us have a count.

The Deputy Chairman: It being ten o'clock, shall I report that the committee have considered a certain resolution, made progress thereon, and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I move:

That the house continue to sit this day until 11 p.m.

Mr. Peters: I object, Mr. Speaker.

Mr. Deputy Speaker: May I refer hon. members to standing order 6(2). It is my duty under the standing order to request those members who object to rise in their places.

And more than ten members having risen.

Mr. Deputy Speaker: I shall ask the Clerk to count.

Mr. Winkler: I rise on a point of privilege.

Mr. Deputy Speaker: Order, please. In accordance with the standing order, 11 members of the house having risen, the Chair will not put the motion.

Mr. McIlraith: Mr. Speaker, tomorrow we shall be considering the Canada Assistance Plan legislation, interim supply, and medicare.

Mr. Winkler: I would have hoped we could have considered those items tonight.

PROCEEDINGS ON ADJOURNMENT MOTION

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

23033—467

Proceedings on Adjournment Motion

EXPO '67—INQUIRY AS TO REPRESENTATION OF AGRICULTURE

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I bring a matter before the house this evening arising out of my question put to the hon. Minister of Agriculture this afternoon, in which I asked the minister if he would assure the house that the Canadian agriculture industry will have suitable and prominent representation in the form of displays and exhibits at Expo '67, which will be Canada's great centennial exhibition next year at Montreal. I am sure, Mr. Speaker, knowing the minister, that the answer to this question, as I hope, will be in the affirmative.

My question also arises as a result of the recent visit which some of us of this chamber, and members of the other place, made to the site of Expo. We were all very much impressed by the progress being made on this unique project, and I know that every Canadian wishes nothing but success for this great world's fair, this world in 1,000 acres, rising on the bosom of the St. Lawrence river, with our great Canadian metropolis, Montreal, as a backdrop, and truly the urban sponsor of this fair.

We know now that from April 28 to October 27, 1967, more than 70 nations will be exhibiting here in Canada their traditions and cultures, their industrial development, and their products, and of course all their hopes for the future.

• (10:20 p.m.)

Canada, in turn, will be showing her best to the world. Since in any brochures we have received I have not noticed any prominent mention of our third oldest primary industry, agriculture, that is why I have asked my question. As a result of this I would hope that this industry would have prominence at this fair.

I know all hon. members will agree that we must not only maintain, but that we must annually increase our export trade in agricultural products. I was particularly impressed this afternoon by the remarks made by the hon. member for Northumberland (Mr. Hees) when he spoke on the banking resolution and stressed the imperative value of export trade. Exhibits covering all our agronomy with each province represented under the suzerainty of the federal Department of Agriculture will be a most effective factor in promoting and increasing our export trade.

Hon. members will agree that our oldest industry is probably fisheries, dating from the days of John Cabot. Our second oldest industry is the fur trade, dating from the days of Cartier and Champlain; and then the third in age, but most important of all, is agriculture, dating from the life of Louis Hébert, Canada's first farmer who tilled the rough and unwilling soil outside Quebec city in 1620.

The theme that has been accepted for this exhibition "Man and His World" is indeed an inspiration leading down through many lanes of endeavour—Man the Creator, Man the Explorer, Man the Producer, Man and the Community, and Man the Provider. Each of these themes is an attribute to agriculture. In these times when we are becoming, in a sense, more self-assertive and more confident in our accomplishments in our provinces and in our various communities and regions across this great country, this theme and its five sub-themes should certainly be the factor which will unite all Canada and all Canadians and all communities and all Canada's provinces heart and soul into one federal whole, as we play host to the world in our centennial year.

This is why I say that agriculture, now our most important primary industry, must have proper prominence at this exposition. Canada, barely one hundred years old and with a population of not quite twenty million is already, and has for a long time been, a "have" nation. For this heavenly blessing alone we should be very thankful. Think of the many nations of the world who are the "have-nots."

Here is our opportunity—the opportunity for Canadian agriculture to serve our fellowmen the world over, and to feed the hungry. Here is an opportunity for Canadian agriculture to feed our own people better because, in spite of our abundance, there are many people in Canada who can benefit from more food.

I represent the riding of Prince Edward-Lennox, famous for the products of the soil, the farm, the orchard and the dairy industry, and I know my people are always mindful of the importance of advertising and making known the value and high quality of their many and varied commodities.

We know that because of automation and more efficient farm machinery, one man can now produce as much as four did 50 years ago. But we are also concerned because of the fact that many of our broad Canadian acres that used to produce food lie dormant and forgotten, their former agricultural masters now only a memory.

The responsibilities and the inspiration of Expo should be enough to urge Canadians and the Canadian agricultural industry into a rejuvenation, into reorganization of this industry to break new ground, and take our rightful place as the feeders of millions of hungry mouths in the world. That is why I urge the minister and the Department of Agriculture to bend all their efforts to this task.

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

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I speak for the minister, and I am sure for the whole house, in expressing our appreciation to the hon. member for his very eloquent address on this most interesting and agreeable subject. We are all tremendously interested in Canada's 100th birthday, which we plan for in 1967. Associated with it, of course, will be Expo '67 when Canada will be putting her best foot forward, and displaying herself in this show window of Canada, for the world to see.

As the hon. member has said, agriculture is the third oldest industry in this country. It is fair to say that agriculture primarily developed this country, and certainly the group who played such an important part in developing Canada are not going to be missing when we celebrate our 100th birthday.

At Expo there will be a special agriculture pavilion in which the great wealth of our agricultural products will be displayed. Not only will the primary producers in agriculture be present, but a lot of corporate citizens who are associated with the agriculture industry and perform a great service to this country in the food business, the machinery industry, or in the dairy products industry will also be represented and pulling their full share of the load.

I am not exactly sure what the hon. member's question was, but I have pleasure in assuring him that Canadian agriculture will be represented and that we will be putting our best foot forward.

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

HOUSE OF COMMONS

Friday, July 8, 1966.

The house met at 11 a.m.

PRIVILEGE

MR. CAMERON, NANAIMO-COWICHAN-THE ISLANDS—UNAVAILABILITY OF BILL AMENDING BANK ACT

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am rising on a point of privilege which stems from the passage yesterday of the resolution preceding the bill to amend the Bank Act. As you will recall, Your Honour, this was passed yesterday. I discovered that within minutes the press gallery had copies of this bill; not only copies of the bill, but a precis of the salient points. I myself have not yet received a copy of the bill, and when I telephoned this morning to try to get a copy I was told that while there were some copies they were being reserved for certain individuals, and were not available for members of parliament.

I suggest to you, Mr. Speaker, that this is an intolerable affront to members of parliament, and I for one do not propose to submit to it.

Mr. Starr: This is arrogance of the worst type.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I heard of these circumstances only this morning. If there has been any discourtesy to members of parliament—and it has not been due to any action on my part—then I apologize. My understanding is that there was a greater demand for copies of this bill than is usual because of the great interest of the banking community and of the press. I do not understand why copies are not available for all members of parliament now.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, on this point of privilege may I inform the Minister of Finance that there is a considerable demand by members of parliament for this bill. Surely they should be recognized first. This is a continuation of mismanagement on the part of this government, with bills not prepared in both languages. Here is one of the most important bills of the session which is not made available. There is no bill in my possession based on the resolution that was passed yesterday. Surely there should be an explanation from the Prime Minister, who is the leader in this house, with regard to this type of mismanagement.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is an example of arrogance that cannot be justified. As Leader of the Opposition no copy was made available to me. I want to say immediately that we have had altogether too much of this attitude. We are going to take a stand strongly against the view of this government that we here are to be treated as secondary to others outside the house.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we wish to add our strong protests to those expressed to the Minister of Finance (Mr. Sharp) and the present government. It is indeed incomprehensible, unjustifiable and intolerable that the government should distribute copies of a bill to other persons before handing any to members of parliament. We want to join in the protest and ask the government to change its attitude.

We cannot accept that the government should exist in order to comply with the requests of a few bankers, because we feel that members of the house should receive copies of the bill in both languages before people outside the house. We also believe that this is the continuation of a standard policy of the government because, only yesterday, we did not even have one French copy of the bill under study.

• (11:10 a.m.)

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want only to say that we do not accept the explanation that there was an unusually large demand for copies of this bill. It was passed to members in the banking community and to the press prior to members of this house receiving copies. In this morning's paper we read some of the details contained in the bill, and so far members of the house have had no way of confirming these details from the official document that as members of this house they are entitled to receive before anyone else receives

it, regardless of the interest in the bill other persons may have.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in the absence of the Prime Minister may I say I am sure we are all in agreement with what the hon. member who has just spoken has said. Parliament is entitled to receive copies of all its bills first, and no one would support that contention more strongly than the Minister of Finance.

An hon. Member: Tell him that.

Mr. Martin (Essex East): The Minister of Finance proposes to look into the matter, as will the government and the house leader. But it is wrong to attribute the error in this instance to the government. It is the responsibility of parliament.

Mr. Diefenbaker: It is the government that has the responsibility.

Mr. Martin (Essex East): My right hon. friend understandably takes the position that the government is at fault.

Mr. Diefenbaker: Who else?

Mr. Martin (Essex East): I remember that on two occasions, when he was prime minister, similar complaints were made by the then opposition.

Mr. Diefenbaker: That is not a fact.

Mr. Martin (Essex East): And the reply of the Leader of the Opposition was not as succinctly stated as I am now doing—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —but it was the same thing. I hope the right hon. gentleman will agree with the explanation—

Mr. Diefenbaker: No; that is not factual.

Mr. Martin (Essex East): I had hoped he would, but he will not. I have stated—

Mr. Diefenbaker: No.

Mr. Martin (Essex East): The government's position, is that parliament must get these measures first. If parliament has not got this bill it is not because of the government—

Mr. Diefenbaker: Why did the press gallery get it?

Mr. Martin (Essex East): —nor, as suggested by my hon. friend from Winnipeg South Centre, is it because of the Prime Minister, who has been engaged in a very important conference, nor was it as the result of any action taken by the Minister of Finance. We are going to look into this matter, and parliament's rights in this situation of course will be protected.

[Mr. Olson.]

Mr. Starr: That is wrong.

Mr. Eric A. Winkler (Grey-Bruce): I should like to find out who distributed these copies to the press gallery and not to members of parliament.

Mr. T. C. Douglas (Burnaby-Coquitlam): The Secretary of State for External Affairs claims that this very serious affront to parliament is not the responsibility of the government. Nevertheless I think parliament has the right to know on whose orders this limited number of copies were distributed first to the press and to the banking fraternity before they were distributed to members of parliament. Did the Minister of Finance order the distribution of these copies and the precis outlining the main content of the bill? Who distributed these copies? Were they distributed on the minister's orders? Surely these bills should go to members of parliament prior to going to the press gallery. The minister may say that the house has a right to copies of the bill, but the fact is that the members of parliament didn't get the bill first, and the responsibility for what has happened lies at the door of the government.

Although the minister says this matter is the responsibility of parliament, the ministers opposite are shirking their responsibilities. It is their responsibility, first, to see that a sufficient number of bills are reserved for members of parliament and, before bills have been distributed, that an adequate supply of copies is held in reserve so that each member may have a copy. I think if the government were half as interested in seeing that members get the information they are entitled to as they are in looking after their publicity, things would be much better for all concerned.

Mr. Terence Nugent (Edmonton-Strathcona): I think the importance of this affront to parliament goes a little deeper than a mistake made by someone on this occasion. The whole attitude of this government has been that parliament is just a nuisance, and it is the development of this attitude which makes it so easy for this sort of mistake to occur. I think the cries of derision which were raised by Liberal backbenchers when

this question of privilege was first put forward by an hon. member protesting that the privileges of the house had been breached indicated that supporters of the government do not recognize the responsibility which each member of the house has to ensure that these privileges are retained.

Mr. Diefenbaker: I rise on a question of privilege arising out of a statement made by the Acting Prime Minister. I challenge him to give one example of our government handing over a bill to the press gallery before parliament had it. I ask him to do that. I challenge him, and say he cannot do it.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. I suggest to hon. members that the point has been well considered and discussed. I may say I am in full sympathy, in full agreement, with the grievance. It is difficult to determine to what extent it is a question of privilege or to what extent it is a grievance, but certainly the hon. member for Nanaimo-Cowichan-The Islands has a legitimate grievance. I would hope that the general procedure regarding the distribution of bills can be reviewed so there shall not be a repetition of this incident.

Some hon. Members: Hear, hear.

Hon. George Hees (Northumberland): On the question of privilege, in his cavalier manner the Secretary of State for External Affairs tried to pass off this matter as something of no consequence, outside the responsibility of the government. On behalf of all members of this house I ask him whether he will undertake that as soon as the sitting opens on Monday he or the Prime Minister will give a complete report on who ordered whom to distribute this bill to the press.

Mr. Speaker: Order. The hon. member is merely repeating what has been said in the course of the discussion which has been completed.

[*Translation*]

BROADCASTING

FAILURE TO MOVE CONCURRENCE IN COMMITTEE REPORT

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a point of order concerning motions.

Some days ago already, the chairman of the committee on broadcasting, films and assistance to the arts presented a report to the house which has not yet appeared on orders of the day. Such a motion could be agreed to by the house. The report was presented to the house, but the motion for concurrence therein was never put forward. Now, since the report belongs to the house and since it has been tabled in this house, I suggest it would be in order to put it on the orders of the day and that it be concurred in or rejected some day or other. But, at this time there is absolutely no reference thereto.

Mr. Speaker: Order. I suggest the hon. member is erring in his interpretation of standing orders. There is no requirement that a report presented to the house be necessarily concurred in by the house. Very often a report is simply tabled without it being necessary to ask the house for concurrence therein.

[*English*]

DOMINION DAY

PROVISION FOR OBSERVANCE OF NATIONAL DAY

Mr. H. E. Gray (Essex West) moved for leave to introduce Bill No. C-225, respecting the observance of Dominion day.

An hon. Member: Explain.

Mr. Gray: The purpose of this bill is to help ensure that Canada's national day can be observed in an appropriate manner throughout our country.

[*Translation*]

By prohibiting certain commercial activities, the purpose of this bill is to try to have a true national commemoration day for all Canadians throughout our beautiful country.

[*English*]

Motion agreed to and bill read the first time.

• (11:20 a.m.)

IMMIGRATION

ANNOUNCEMENT RESPECTING LANDED IMMIGRANT STATUS AND SPONSORING OF IMMIGRANTS

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, could we revert to motions? I rose earlier but failed to be recognized. With the consent of the house, I should like to make a statement on immigration.

[*English*]

Some hon. Members: Agreed.

Mr. Marchand: Mr. Speaker, I wish to announce a new policy governing those persons who come to Canada as visitors and then endeavour to remain as immigrants, in this way circumventing the normal immigrant channels.

This problem has become increasingly serious. My department has approximately 20,000 applications from visitors for landed immigrant status. An unknown number of other visitors in Canada undoubtedly hope to be allowed to stay but have not yet filed formal applications. This situation amounts to a wholesale circumvention of our normal systems of immigrant selection and control. Unless remedied it means that criminals and other people who are not legally admissible to Canada may succeed in establishing themselves here.

I should explain how the present alarming situation developed. In August, 1958 under similar circumstances a policy was introduced whereby most visitors then in Canada, and seeking to stay permanently, were allowed to do so. Future arrivals were warned that they would be refused permission to stay. Under this policy over 5,000 persons were granted landed immigrant status and stringent rules were applied to new arrivals.

Unfortunately these rules were found to be overly strict and exceptions began to be made. In 1961, in keeping with a world wide trend, Canada began to waive visas for visitors from many friendly countries. This greatly stimulated the tourist traffic but also made it possible for those who were unable, or who doubted their ability, to meet immigrant selection standards to gain entry as tourists.

The government has no desire to adopt measures which will impede the tourist traffic, or to impose irksome new procedures for the travelling public. Nor is it desirable to adopt a rigid policy toward bona fide visitors who come here and like our country so much that they want to stay. But it is essential that solutions to the present problem are found which will deal with the cases now on hand and prevent another recurrence of the problem in a few years' time. Accordingly the government has approved the following policy:

1. First, visitors who have arrived in Canada on or before today's date, and who have already applied for permission to stay or who do so by July 25, 1966, will have their applications approved provided:

(a) they are not within the prohibited classes described in the Immigration Act;

(b) they did not gain admission to Canada by any fraudulent means other than concealment of their true intentions; and

(c) they qualify in one of the following categories:

(i) those who would be acceptable as sponsored or unsponsored immigrants if they were applying as such abroad; or

(ii) those who have married citizens or legal permanent residents of Canada on or before today; or

(iii) those who have established a successful legitimate business in Canada; or

(iv) those who have been steadily employed in Canada for at least eight months; or

(v) those whose education in their own country is equivalent to ten years successfully completed in our school system.

The department will deal with these applications as quickly as possible and give most applicants notice of the decision in their cases fairly soon. The actual mechanics of granting the legal status of permanent resident to so many people will, however, take some months to complete.

Those who fail to qualify for permanent residence under these conditions will be given a reasonable time to leave Canada voluntarily, failing which deportation action will be initiated. The conditions I have outlined are sufficiently generous not to result in any large number of deportations.

[*Translation*]

The second aspect of this policy pertains to future arrivals and those persons now in Canada who do not apply for permanent residence on or before July 25, 1966. The applications of such persons for landing will be approved only if:

(a) They are not within the prohibited classes described in the Immigration Act;

(b) they have not gained admission by any fraudulent means;

(c) they do not have immigrant applications pending when they come to Canada;

(d) they apply before the expiry of their period of authorized stay and have not violated the conditions of their entry; and

(e) they come within one of the two following categories:

(i) those who would be acceptable as unsponsored immigrants if applying as such abroad; or

(ii) those who were, before admission, the spouses or minor children of citizens or legal permanent residents of Canada.

To deter those who might deliberately use this method of gaining admission rather than applying for immigrant visas at immigration missions abroad, the actual granting of permanent resident status to these persons will be deferred for one year from the date their applications are conditionally approved. Approval will be revoked if, during this period, there is definite evidence of criminal or other tendencies which establish that the applicant is undesirable as a future Canadian citizen.

Those applicants who fail to comply under this policy will be asked to leave Canada voluntarily, failing which deportation action will be initiated. Should parliament approve the bill to establish an immigration appeal board which is now before the house, persons ordered deported will have the right of appeal to an independent, judicial body which, in all but a limited number of exceptional cases, will have the power to deal conclusively with their appeals, subject only to a further appeal to the Supreme Court of Canada.

The third and most important aspect of this policy consists of better controls to prevent recurrence of the present situation. The new policy will be widely publicized in Canada and abroad to ensure that persons in Canada and the travelling public are well aware of our laws and requirements. A better documentation system for visitors will be instituted to identify visitors and to verify their departure without burdening them with undue formalities. Other improvements will be made in the internal methods of the department to enable efficient detection, apprehension and deportation of those who violate the conditions of their stay.

This new policy will apply to all categories of non-immigrants, except students and seamen who will continue to be governed by special policies and procedures. I would also like to emphasize that the procedures I have outlined affect only those who seek to migrate to Canada outside the proper channels. The qualified migrant seeking admission to Canada in the legal manner will not encounter any barriers. Nor do we intend that the new procedures will impede international travel or cause delays at Canadian ports of entry.

[*English*]

I also wish to announce, Mr. Speaker, that the government intends to introduce as soon as possible revised regulations governing the admission of persons sponsored by relatives in Canada. The proposed changes will remove all discrimination on grounds of geographic or ethnic origin of immigrants—

Some hon. Members: Hear, hear.

Mr. Marchand: —and will create uniformity of standards for admission for all countries. Persons who have made a deliberate choice to identify themselves with Canada by becoming Canadian citizens will be eligible to sponsor, on a universal basis, a broader range of relatives than at present. Moreover, Canadian citizens who feel aggrieved by departmental decisions regarding the exercise of the rights of sponsorship will have recourse to the immigration appeal board in accordance with the terms of the bill which is now before the house.

Modifications and improvements in security features will give effect to the regulations in such a way as to remove the existing limitations and allow the movement of all eligible sponsored immigrants from eastern Europe and other parts of the world where such limitations now exist.

Some hon. Members: Hear, hear.

Mr. Marchand: Non-citizens will have some restrictions on their present sponsorship privileges from Europe and the Americas, but still will be eligible to sponsor their dependent relatives from all countries. Details of the changes in the regulations I have outlined will be incorporated in the white paper on immigration which soon will be available. The study and debate which will follow, of course, will determine the precise form the new regulations will take.

• (11:30 a.m.)

Hon. R. A. Bell (Carleton): Mr. Speaker, the problem of the illegal entry of persons circumventing our immigration laws is not a new one, but recently it has grown very greatly both in volume and in intensity. With the general principles enunciated by the minister this morning it would be difficult to quarrel, but I confess that I do have mixed feelings—yes, grave qualms—about the interpretation and enforcement of those principles. A great deal more will have to be known about the actual procedures which are proposed by the department before a final judgment on the new policies can be rendered by the house. I am by no means sure, after listening to the minister this morning,

that he has solved the headaches either for the department or the individuals concerned.

Personally, sir, I believe that the first principles ought to be generosity and sympathetic understanding to those already in the country who can meet health, security and crime free standards. This country can afford some genuine humanitarianism in its immigration laws. My own conclusion is that only a full amnesty for those already in the country is a realistic solution at this time, coupled with a clear enunciation of the principles to be followed in the future in dealing with illegal entrants and the adequate and uniform enforcement by the department and the new immigration appeal board of those principles.

I confess that I had some particular concern about what the minister said in relation to those who come to the country in the future as visitors and who seek to remain. He said they would be admitted if they would have been accepted as unsponsored immigrants or if they were spouses or minor children of citizens or of legal permanent residents of Canada. Later on the minister said there would be a complete revision of the regulations dealing with sponsorship, and he did say that a broader range of relatives than at present would be included.

Let me say I had an ominous feeling that in this particular first sentence the minister was giving us a forerunner of his intentions and that he might be about to adopt the proposals made by Mr. Joseph Sedgwick, Q.C. as to restrictions on sponsored immigrants. If he were to do that I think he would strike terror in the hearts of many immigrants. The minister shakes his head. Let me say to him that I believe this is part of the policy which ought to be clarified at the time he is bringing forward his white paper. There is no reason why these proposals related to persons entering on non-immigrant visas should be confined to those who are spouses and minor children.

The minister in his statement said the policy for the future will remove all discrimination on the grounds of geographic or ethnic origin of immigrants. I remind him that basically that was the policy and regulations laid down in 1962.

Some hon. Members: Oh, oh.

Mr. Bell (Carleton): If the minister and hon. members of this house will read the statement made by Hon. Ellen Fairclough at that time they will see words that are very similar to those used by the minister this morning. If there has been discrimination it is because of what hon. gentlemen opposite have been doing since that time. I want to say to the minister that we on this side of the house will be vigilant to see that those words are not merely window dressing but that they mean precisely what they say.

What satisfaction we may have this morning in some aspects of the principles stated in the minister's announcement is tempered by what I would describe as a piecemeal approach to immigration policy. In December, 1964 the Prime Minister promised a white paper on immigration before the next session. Two sessions have passed and we are on the eve of a recess of a third session without the fulfilment of that commitment. The introduction of legislation to establish a genuine immigration appeal board, facilitated by the opposition, and this announcement are but—

Some hon. Members: Oh, oh.

Mr. Bell (Carleton): Yes, facilitated by the opposition—these are but segments of the problem, and I submit it is impossible to view what has been said this morning in perspective without this long overdue white paper and a full revision and modernization of the Immigration Act itself. That, sir, is what we shall demand of the ministry, and as rapidly as possible.

Some hon. Members: Hear, hear.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like my words to be an unqualified and warm welcome of this announcement. I think the minister and his advisers are to be congratulated on the improvements and steps forward that are embodied in these proposals. We in this party have for many years, to my knowledge, advocated three basic changes in the act and the administration of the regulations. We have advocated the elimination of all racial discrimination; we have advocated that the problem of visitors who seek to stay in Canada be dealt with properly, and we have advocated fair hearings for those who seek admission to Canada.

Dealing with the first point about the elimination of racial discrimination, we warmly welcome the statement of the minister. The regulations which were introduced—apparently the hon. member for Carleton (Mr. Bell) has forgotten this—during the time of the previous administration expressly contain discrimination in respect of the sponsorship of would-be immigrants to Canada. I have the regulation in front of me, and it provides

far stricter rules in regard to those who come from Asia and Africa than in regard to those who come from Europe or the United States. I was glad to hear the minister say in his statement that this discrimination is to be eliminated.

Mr. Speaker, I remind the minister, although it is not appropriate that he should deal with it now, that there remains in the Immigration Act the explicit authority to the governor in council to discriminate on the basis of ethnic origin. This authority is contained in section 61 of the Immigration Act. I call upon him to follow up what he has done so far by assuring us that we in this house will be invited to remove from the Immigration Act the authority given by parliament to discriminate on racial grounds.

The next point deals with the question of visitors. We welcome two aspects of this measure as mentioned today. The first is that those who come in through the lax application of the administration will be given a chance to show that they are qualified to stay in Canada, and that their suspense in this regard will be relieved.

I merely wish to point out one detail, and perhaps this is a matter that has been overlooked. The minister in his statement said that those who were in the prohibited classes described in the Immigration Act would not be entitled to have their applications approved. I remind the minister that the Immigration Act includes, in paragraph (t) of section 5, a prohibition against admission of anyone who does not comply with the regulations, so every single one of these people in theory could be eliminated under this general description on the ground that, for example, they had not complied with the regulations because they did not have immigrant visas. I ask the minister that the absence of an immigrant visa, which has been frequently used in the past as an excuse, without any reason given for refusal of admission, will not be used in denying admission to those who will apply under this proposal and who are now in Canada. Indeed, I hope this method of dealing with applications will not be followed at all.

• (11:40 a.m.)

I want to tell the house and the minister that despite these improvements there remains a procedure applied by the department which is dangerous and vicious; that is to say, that those who apply to come can be excluded, not because of any specific objection but because they have not got an immigration visa, which the department has refused to give without telling the applicant why. This is unjust. It is wrong. It is a practice that is being carried out now, and I urge the minister to review it.

Last is the question I mentioned before, namely that of providing fair hearings for all applicants. The whole immigration appeal procedures which have been brought forward in the bill which has been given first reading in this house are immensely improved by the proposed legislation, in that an independent appeal tribunal will be set up. But this will be meaningless unless it is made perfectly clear that the objections to the admission of an immigrant are made known to the applicant, so his hearing before the immigration appeal board and the special inquiry officer is meaningful and not just a hearing with regard to a piece of paper which the department decided the immigrant should not have.

I am also glad to hear that the question of security procedures with regard to immigrants from eastern Europe is to be reviewed. For a long time we have had a ridiculous situation in this regard whereby, for example, 400,000 people emigrated from Yugoslavia to West Germany, France and other parts of western Europe and made a tremendous economic contribution to those countries; yet we were told in Canada that because our security procedures did not enable us to look into the cases of people who came from a country such as Yugoslavia, they could not be admitted, as though some security risk existed in bringing in a few skilled people to Canada from Yugoslavia, which security risk did not exist at all in West Germany and other parts of western Europe.

I am delighted to hear that changes are to be made in this field. I would be less than generous if I did not say that after years of waiting for some action in this regard we are delighted to see that we are moving in the right direction. We will wait for the white paper. We want the committee to go into this matter thoroughly. There are many other things in the Immigration Act that require changing, but at last we are on the move.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we in this group welcome this announcement. As has been stated, this step is long overdue. I think the proof that it is long overdue is contained in the remarks of the

minister when he says there has been wholesale circumvention of the immigration regulations by the large number of visitors who apply for landed immigrant status. We certainly hope this procedure will be changed in practice in addition to lip service being paid to other changes.

We welcome the announcement about a broader range of relatives being allowed into Canada on a sponsorship basis, because this has caused most of the members of this house some difficulty from time to time. It is all well and good for the hon. member for Carleton to say that his party did in fact pay lip service to removing all the geographical and ethnic discrimination that exists in this area, but we are more interested in what the practice will be in removing these discriminatory features from the immigration regulations. So we will watch with interest to see that what comes as a result of this announcement in actual practice is in keeping with what I hope the minister had in mind when he made the announcement.

BANK ACT

DISTRIBUTION TO PRESS OF PRECIS AND AMENDING BILL

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 Finance and ask whether last evening he had distributed to the press a summary in detail of the various items, changes, amendments and terms of the new Bank Act. Was this done by him, rather than by some unidentified personage? Why was it done, and why was parliament circumvented?

Mr. McIlraith: Parliament was not circumvented.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I take responsibility, of course, for the distribution of this document. I would not do anything else. I considered that it would be helpful to the press to have the summary. If I had known that this would have involved the public knowing of the contents of the bill before members of parliament, I would not have authorized this procedure.

Mr. Diefenbaker: Mr. Speaker, is not the minister's explanation now quite contrary to that given earlier by the Secretary of State for External Affairs, the Acting Prime Minister?

[Mr. Olson.]

Mr. Starr: He said there was no blame on the government.

Mr. Diefenbaker: Yes, that there was no blame on the government.

Mr. Speaker: Order, please. The second question asked by the right hon. Leader of the Opposition is argumentative. The first question he asked has been answered by the minister, and I suggest that at this point this should be satisfactory.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Finance, and I ask it quite sincerely. When can I expect to get a copy of the Bank Act bill; because I need it?

Mr. Bell (Saint John-Albert): See the press.

Mr. Sharp: I do not think this is within my control, Mr. Speaker. The distribution of copies of bills is of course a matter for the distribution office and the printing bureau. As I say, if I had known there would be a delay like this, I would have had a double reason for not following the procedure I did.

Mr. Cameron (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I am advised from the table that there has now been received a limited supply of copies, which I assume will be available to hon. members.

Mr. Ricard: In both languages, Mr. Speaker?

Mr. Speaker: I understand so.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wonder whether the Minister of Finance could see that we get copies of the summary which he prepared, or do we have to go to the press gallery to get them?

Mr. Sharp: I would be only too happy to supply copies of this summary. It was done for the convenience of the press, and of course if it would be helpful to hon. members I would be very happy to see that they get copies.

Mr. Winkler: Mr. Speaker, may I ask the minister who prepared the summary?

Mr. Sharp: It was prepared in my department under my direction.

Mr. Diefenbaker: I would ask the minister this question, Mr. Speaker. Did he also arrange that copies of the bank bill will accompany the explanatory notes? Did he do that too, or did they just naturally become available through some extraterrestrial means?

Mr. Sharp: I only heard of that particular circumstance this morning, and I have not inquired fully into it. I do not take any particular responsibility for that but I would not deny it, if the right hon. gentleman wants to add this to his grievance.

Mr. Diefenbaker: Does the minister say it is my grievance rather than parliament's grievance?

Mr. Sharp: No, Mr. Speaker. If he is speaking on behalf of the house I would accept this responsibility.

Mr. Diefenbaker: All right.

Hon. George Hees (Northumberland): A supplementary question, Mr. Speaker. Would the Minister of Finance explain to the house why he considered this explanatory precis would be more useful and desired by the press than members of parliament?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, like all the other members, we have asked for a copy of the bill of the Bank Act and we are told that there are no copies in French. Could I therefore ask the Minister of Finance (Mr. Sharp), when he has had the kindness and the civility to have the bill translated from English into French, to provide us with a copy in French?

Mr. Speaker: Order. The Clerk informs me again that a certain number of copies in French will be available for distribution to the members within a few minutes.

[*English*]

EXTERNAL AFFAIRS

VIET NAM—SUGGESTED VISIT TO RUSSIA BY CANADIAN MINISTERS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is for the Acting Prime Minister. In view of the appeal of the Prime Minister of India for a reconvening of the Geneva accord powers, and the fact that the Prime Minister of Great Britain is planning to visit Moscow to appeal to the Soviet government, which is one of the co-chairmen of the Geneva accord powers, I would ask the government whether they have given any consideration to having either the Prime Minister of Canada or the Secretary of State for External Affairs visit Moscow in the near future to make an appeal to the Soviet union, as a co-chairman, to reconvene the Geneva conference in the hope that an end to the hostilities in Viet Nam may be brought about.

Hon. Paul Martin (Secretary of State for External Affairs): The appeal made by the Prime Minister of India yesterday, Mr. Speaker, did not only concern the Geneva conference. It involved a proposal for a cessation of bombing and a cease fire throughout Viet Nam. As the Prime Minister indicated, I think the day before yesterday in answer to a question, Canada of course is in favour of such a conference as is proposed, providing it can be arranged. For some months now we have been engaged in talks with other countries in trying to bring about the calling of a conference. We have had discussions with the government of India, the government of Poland, the government of Britain and a representative of the Soviet union. Only this week I have had a discussion with a high personage in the government of the Soviet union here in Ottawa with regard to this matter.

If it is possible for present objections on the part of one of the co-chairmen to the calling of such a conference to be overcome, I am sure this would be welcomed all over the world. I believe there are some very difficult impediments in the way. If they were removed Canada, of course, would be happy to support that course.

With regard to whether I would be prepared to go to the Soviet union, I can say we have had some discussions here in Ottawa recently about this matter, and I do hope to go to the Soviet union some time later.

Mr. Douglas: I am sure the house and the country will welcome the news that the Secretary of State for External Affairs plans to visit the Soviet union. May I ask if it would not be advisable to advance the date and, if possible, have the Prime Minister visit the Soviet union as well, since Canada as a member of the international control commission has a great stake in urging one of the co-chairmen to convene this conference and to do it within a matter of weeks?

Inquiries of the Ministry

Mr. Martin (Essex East): The Prime Minister and I had important discussions about this matter and related matters last Monday night with Mr. Polyansky. I will be having further discussions with him on Monday next.

[*Translation*]

Mr. Grégoire: Mr. Speaker—

Mr. Speaker: Does the hon. member for Lapointe wish to put a supplementary question?

Mr. Grégoire: No, Mr. Speaker.

[*English*]

Mr. L. R. Sherman (Winnipeg South): May I ask the Acting Prime Minister if the Canadian government will consider issuing a statement endorsing the main theme of the statement made in London yesterday by Australian Prime Minister Harold Holt, and expressing this country's unqualified gratitude for the job the United States is trying to do in Viet Nam and throughout southeast Asia?

Mr. Martin (Essex East): I have not had a full opportunity of reading Prime Minister Holt's speech. In any event I would say to my hon. friend that I am sure he would agree, on reflection, that foreign policy is not decided in the simple way in which the question is suggested, and particularly on orders of the day.

Mr. Starr: Is it ever decided?

LABOUR RELATIONS

NON-OPERATING RAILWAY UNIONS— THREATENED STRIKE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is addressed to the Minister of Labour. In view of the rejection of the conciliation report of Mr. Justice Munroe by the non-operating railroad union employees and the plans being made by all three non-operating union workers numbering some 93,000 workers, can the minister tell us what action the government is taking or what information he may have to pass on to the house in relation to this matter?

Hon. J. R. Nicholson (Minister of Labour): The conciliation reports were delivered by me to the non-operating unions and the railway companies within the last 48 or 50 hours. I have had no official communication from either of them since. I can only say my department and my colleagues in government are watching the situation very closely.

Hon. Michael Starr (Ontario): May I ask a supplementary question. Having in mind the fact that it will take a few weeks before a strike vote can be completed, in view of the serious situation is the government not planning to appoint some mediator now in order to give him time to try to negotiate a settlement?

Mr. Nicholson: All relevant factors are being considered by the government.

Mr. Eric A. Winkler (Grey-Bruce): May I ask a supplementary question. I wonder if the minister could say whether he or the government is considering some sort of policy to institute compulsory collective bargaining in order that we may avoid all these unnecessary strikes.

Mr. Nicholson: I have nothing to add to the statement that I made in the course of the presentation of my estimates within the last few weeks.

SHIPBUILDING

DELAYS IN PROCESSING APPLICATIONS FOR TRAWLER SUBSIDIES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I have a question for the Minister of Industry. It is reported that applications for subsidies on steel fishing trawlers made as early as January have not yet been processed and subcontracts are being held up or cancelled awaiting decisions on subsidy applications. Can the minister state when it is expected these applications will be processed?

Hon. C. M. Drury (Minister of Industry): If the hon. gentleman will give me details of the particular application involved I will be glad to look into it right away.

Mr. Crouse: May I ask a supplementary question. There are a number of these applications which I am sure the minister will locate when he investigates this matter. My supplementary question is, has a letter gone out from the Department of Industry advising those interested in trawler construction for the fishing industry that there may be some change in the regulations after August 1, 1967?

Mr. Drury: I will check on that, Mr. Speaker.

OLD AGE SECURITY

REQUEST FOR STATEMENT ON INCREASED PENSIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wonder whether the Minister of National Health and Welfare is prepared to make the statement for which we have waited so long during the debate on the Canada Assistance Plan, concerning what action is going to be taken or is expected to be taken on behalf of the old age pensioners of this country.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker, I am holding myself in readiness to make such a statement at the appropriate time.

Mr. Churchill: Will you make it to the house or just to the press?

Mr. MacEachen: This is in accordance with the statement I made on Tuesday last.

Mr. Diefenbaker: I ask the minister, is it a fact that instructions have been given by the Department of National Revenue to have a number of senior employees work on a plan for a capital gains tax, with the proceeds from which the plan the minister has in mind will be financed?

Mr. Speaker: Order, please. I suggest to the right hon. Leader of the Opposition the question as asked is argumentative.

Mr. Diefenbaker: Then may I ask this simple question of the Minister of National Revenue. Has he, within recent days, had a number of senior employees directed to work on a plan for a capital gains tax?

Hon. E. J. Benson (Minister of National Revenue): I have given no such instructions.

Mr. Diefenbaker: Whether or not instructions have been given, has any such examination been made?

Mr. Pickersgill: What a spectacle of irresponsibility.

Mr. Starr: What a spectacle of irresponsibility on the part of the government.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Minister of National Health and Welfare a supplementary question. Will he be making the statement which he says he is holding himself in readiness to make in the house before this session recesses?

Mr. MacEachen: It depends on the length of the session.

Hon. Michael Starr (Ontario): Mr. Speaker, may I ask a question of the government house leader. Does he intend to proceed with the business of the house today as outlined in his remarks last night, when he said we would be considering the Canada Assistance Plan legislation, interim supply and medicare?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, last night I did not indicate that they would come in that order.

Some hon. Members: Oh, oh.

Mr. McIlraith: What I said appears at page 7371 of *Hansard*, namely:

> Mr. Speaker, tomorrow we shall be considering the Canada Assistance Plan legislation, interim supply, and medicare.

I was asked very early this morning which item would be taken first and I said interim supply, but I am in the hands of the house on this subject. I regret that my statement last night was not clearer.

Mr. Diefenbaker: Mr. Speaker, so that the clarity will be made even more clear, as soon as the Canada Assistance bill is before the house will the minister make the statement that he undertook to make on more than one occasion during the debate?

Mr. MacEachen: Mr. Speaker, the undertaking will be carried out, but I would prefer to have the Canada Assistance Plan disposed of so that the other issue can be dealt with subsequent to the passage of the Canada Assistance Plan. Nothing would please me more than to get on with the Canada Assistance Plan now.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question for the government house leader, Mr. Speaker.

In view of the statement just made by the Minister of National Health and Welfare, would the government house leader agree that we first pass the social security plan and, once consideration of that bill is completed, that we resume debate on interim supply? Then, the Minister of National Health and Welfare could make the statement he wants to make.

Inquiries of the Ministry

[*English*]

Mr. McIlraith: Mr. Speaker, I am in a somewhat embarrassing position.

Mr. Starr: No; wait a minute.

Mr. McIlraith: If this can be done quickly it might be possible, but I am in the hands of the house with regard to getting these measures through.

Mr. Starr: Mr. Speaker, I rise on a question of privilege which is based on a remark made by the government house leader. Surely he must admit that there has been excellent co-operation in trying to dispose of the business of this house. I do not think it is necessary to impute any motives to the opposition or to hold a hammer over our heads as to how soon legislation can be passed.

Mr. Speaker: Order. This is a point for discussion, and I suggest to hon. members that we do not appear to be making much progress with the question period.

Mr. Starr: Not when we hear remarks like that.

Mr. Speaker: I understand that the Minister of Public Works has a point of order.

Mr. McIlraith: Mr. Speaker, perhaps I should clarify what the business will be. I did not impute any motives to anyone. I have acknowledged publicly, and I will do so again, that I have been receiving excellent co-operation from the official opposition, and I have made no secret of that fact.

What I said, and the reason for my embarrassment, is this. I indicated the business of the house last night in a rather clumsy way, as anyone who reads my remarks carefully will see, and certainly as I saw when I received my copy of *Hansard* this morning. I said with some certainty that we would be considering all three measures today, when no one could say that. You can see how embarrassing it is, and I have sought never to put myself in that position. I was called very early on in the morning by the house leader for the New Democratic Party, who asked me what was the first order of business for today, and I said interim supply.

Mr. Churchill: At his suggestion.

Mr. McIlraith: That is the position we are in. If the house wishes to take the other measure first and hon. members think we can deal with it, then it is up to the house. I have no wish to dictate to the house. I must say in fairness that I had understood the N.D.P. members had indicated they wished to discuss some matters on Viet Nam.

Some hon. Members: Oh, oh.

Mr. Starr: Now we see whom you spoke to this morning.

Mr. McIlraith: Well, Mr. Speaker, I have laid the facts before the house, whatever the house wishes to do with the situation. We should like to get the Canada Assistance Plan through for consideration by the other house so that they would have adequate opportunity to consider it. We should like to get interim supply through because we have need for the authority to spend the money. That is the situation. I will call whatever the house wishes as the first item of business in the light of these known facts.

Mr. Starr: Mr. Speaker, I rise on a point of order. I do not have a complicated mind and it is obvious to me that what the government house leader said yesterday is completely clear, that we would take as the first item of business the Canada Assistance Plan legislation. We are agreeable to continuing on that basis.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, as far as the members of this party are concerned, we understood that interim supply was coming up. I believe the Leader of the Opposition had indicated some days ago that we should have a debate on Viet Nam. We, of course, are very anxious to have that debate, but we are not going to hold up the house. Whatever order of business is acceptable to all parties we will, of course, follow.

I rose to ask a supplementary question of the Minister of National Health and Welfare, who said he was anxious to make a statement but that he did not want to make it on the Canada Assistance Plan. I want to ask the minister, since he is anxious to make the statement and we are anxious to hear it, whether he will undertake to make his proffered statement on interim supply, whenever it comes up. If it does not come up today it will come up on Monday. Then it will not be related to the Canada Assistance Plan, and the occasion will give the minister an opportunity to make the statement, rather than having to make it after the house has recessed. May we have that assurance from the minister?

Mr. MacEachen: Mr. Speaker, I have stated that I would be prepared to make a statement following the passing of the Canada Assistance Plan, for reasons which I would have stated in the course of the debate. I still intend to carry out that undertaking. I do not intend in any way to play tricks with members of the house with respect to whether the statement ought to be made on interim supply or on any other occasion. I would have to confer with the Prime Minister and my colleagues before replying directly to that question.

Mr. Douglas: A supplementary question, and may I have a specific answer from the minister. Will his statement be made in the house before the summer recess? We do not care whether he makes it on interim supply or on something else, but would he make it in the house?

Mr. MacEachen: Yes, Mr. Speaker, I will give that undertaking.

Mr. Diefenbaker: Why did you not give it in the first place?

Mr. Terence Nugent (Edmonton-Strathcona): As the government house leader has left us up in the air with regard to the business of the house, and since he has so far failed to cope and has finally abandoned his duty of leading the house—

Some hon. Members: Oh, Oh.

Mr. Nugent: —would he care to turn it over to the opposition—

Mr. Speaker: Order, please. This question does not help anything.

CANADIAN BROADCASTING CORPORATION

FAILURE TO PROVIDE PRINCE EDWARD ISLAND WITH TELEVISION STATION

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that the government white paper on broadcasting reserves four areas in Canada for the establishment of C.B.C.-operated television outlets, can the minister explain why, of all the provinces in Canada, Prince Edward Island would then be the only province not provided with at least one C.B.C. television transmitter?

Mr. Speaker: Order, please. The question is argumentative, and I do not think it should be asked at this time.

Mr. MacLean (Queens): Mr. Speaker, I do not want to quarrel with your ruling, but this matter has very urgent implications which may not be directly apparent on the surface. If the minister is prepared to give some answer I would greatly appreciate it, as I am sure would the broadcasters generally in the Atlantic provinces.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, it is a nice point whether this matter in any way comes under my jurisdiction. I should be very happy to confer with the hon. lady, the Secretary of State, and with the Prime Minister to see if some statement could not be made at the earliest convenient opportunity after such conference had taken place. That might perhaps be Monday or Tuesday of next week.

Mr. MacLean (Queens): I would ask the Secretary of State a related question on the same general subject. I would ask the hon. lady to explain what change of government policy is represented by the fact that the 1965-66 annual report of the Canadian Broadcasting Corporation makes no mention of providing C.B.C. television service for Prince Edward Island, although such a provision has been mentioned in previous annual reports.

Hon. Judy V. LaMarsh (Secretary of State): I do not know, Mr. Speaker. I have only been responsible for the C.B.C. for six months.

REPORTED RESIGNATIONS OF OFFICIALS IN TORONTO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I would ask the hon. lady whether she has any report on current C.B.C. resignations, and whether it is a fact that three of the persons who are among the best creative television producers in this country, who have won the highest international awards, resigned today. Can she also report to the house what available information she has with respect to the matter. The other day when I asked her the question in general, respecting the position of affairs, she said she would try to secure information, as I recall it. Certainly the events of the last couple of days indicate that the situation is becoming more serious with passing days.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, as of eleven o'clock this morning I was advised that the C.B.C. had issued a statement. It might be better, perhaps, if I were to quote the words of the statement:

—it is the C.B.C.'s view that no useful relationship can be continued at this time with Mr. Leiterman beyond the expiration date of his present contracts.

I was also informed that the only resignation of which the C.B.C. had official word was that of Mr. Reeves Haggan, general supervisor of the English public affairs network. I heard rumours respecting Mr. Watson and Beryl Fox, neither of which I was able to confirm before coming into the chamber. Nor have I received any information since. There does not appear to be any suggestion that beyond the people identifiable with "Seven Days" there is any likelihood of resignations or a slowdown or a stoppage of work. A press report, which I am sure hon. members have seen, indicates that the work is continuing, but I have been unable to ascertain whether this is the case.

I think all hon. members regret the difficulties of the last two or three months, and in particular those of the last couple of days. The way in which the matter has resolved itself is disappointing. I would hope that perhaps now the corporation, the purpose of which is to serve all Canada, will settle down, yet that Canada will not lose the services of people who have already demonstrated such great ability.

Mr. Diefenbaker: In expressing that hope, has the minister communicated with C.B.C. management so there will be no unnecessary merit in the words used by Mr. Reeves Haggan, an outstanding producer, when he said there have been sordid manoeuvres by the corporation?

Miss LaMarsh: Mr. Haggan was a supervisor and not a producer. I have not conveyed my opinion to the corporation, as I did not think it was any particular concern to the corporation. It is parliament's opinion and not my individual opinion that the corporation is concerned with.

Mr. Diefenbaker: There was a committee set up in that respect.

Mr. L. M. Brand (Saskatoon): Regarding the resignation of Reeves Haggan, I would ask the Secretary of State, as a supplementary question, whether this was a voluntary resignation or one which was requested by the corporation. Do the terms of reference with respect to Mr. Leiterman also apply with respect to Mr. Haggan?

Miss LaMarsh: My only information is that Mr. Haggan tendered his resignation and that he issued a statement, a copy of which I do not have at this time, using the phrase that the right hon. gentleman quoted a moment ago. I do not know what if any direction was given by management to Mr. Haggan. I suppose that would be within the corporation's knowledge. I know of nothing, aside from the statement given by the C.B.C. following the board of directors' meeting earlier this week.

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to ask a supplementary question. May I ask the Secretary of State if it is true that management offered Mr. Leiterman a contract on condition that he specifically would not hire either Mr. Laurier LaPierre or Mr. Patrick Watson? Is this the usual type of contract which is offered to producers, naming certain people that they may not hire in order to produce programs?

Mr. Speaker: Order, please. I wonder if the series of questions being asked at this point are not turning into a debate. I do not think that is the purpose of the question period. I suggest to the hon. member for Burnaby-Coquitlam perhaps that this question is not the type which should be recognized by the Chair.

Mr. Douglas: May I ask this question, Mr. Speaker. The minister has just stated that it is not for her to give direction or expressions of opinion to the management of the Canadian Broadcasting Corporation, and that this is the responsibility of parliament. I would ask the government, therefore, if any opportunity is to be given to this parliament to express its opinion with respect to a series of events which, if carried much further, will result in the C.B.C. consisting of a great number of executives but very little talent.

Miss LaMarsh: Mr. Speaker, there are many more producers, of course, than Mr. Leiterman or others perhaps associated with him, who appear to be staying and working for the corporation.

With respect to my hon. friend's question, I understand from the statement of the C.B.C. that a contract was offered with a particular clause that is unusual in contracts, that Mr. Leiterman, if he accepted it, would be required to undertake to follow directives and to follow the policy of the C.B.C.

I understand that implicit in this was also the decision of the board of management with respect to the two gentlemen who had been the hosts of "Seven Days", that the question was closed and neither one could be hired as a host, so that in effect what my hon. friend suggests is the situation. So far as I know that is a unique contract, but it is certainly within the rights and responsibilities of management in hiring anyone to state what shall be in the contract, and that has been recognized I think by the producers' association in Toronto as a general principle.

LABOUR RELATIONS

QUEBEC—TABLING OF TERMS OF SETTLEMENT AND CORRESPONDENCE RESPECTING LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, earlier in the week in response to questions from the right hon. the Leader of the Opposition and the hon. member for York South I undertook to file the terms of the agreement of settlement between the Shipping Federation of Canada and the unions concerned with the labour dispute in the three St. Lawrence ports, and also certain correspondence.

I now wish to table the terms of settlement and a letter dated June 20 that I received from the solicitors for the unions with an enclosure. Also I wish to table my reply dated June 27, copies of telegrams received by the Prime Minister and myself on June 30, our replies to these telegrams, and certain other telegrams that have since come in, dated July 4, 5 and 6.

Mr. Speaker: Has the minister leave to table these documents?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to thank the minister for his courtesy in carrying out this undertaking and to ask him a question, simple and short. Did he, in the presence of the Prime Minister, say to the longshoremen's officials that a settlement having been made there would be no binding order or anything in the nature of compulsory arbitration in the setting up of the commission to look into the questions which were particularly to be referred to it?

Mr. Nicholson: I made no such statement. In fact, at a meeting shortly before the one which took place in the Prime Minister's office I made the contrary known to the parties who were there, and a statement to that effect was later made by the Prime Minister in the presence of myself and several of my colleagues.

Mr. Diefenbaker: That statement, summarized, is that there will be compulsory arbitration in the circumstances?

Mr. Nicholson: I think the phrase "compulsory arbitration" was carefully avoided; but the fact that there would be a binding solution, a recommendation to parliament —that legislation would be introduced to make the terms binding, that is, the recommendations of the industrial inquiry commission on certain aspects—there is no question about that, Mr. Speaker.

Mr. David Lewis (York South): In order that we may not have to guess what was said may I ask the minister—and this may be of some importance—whether he would consider, possibly in consultation with the Prime Minister, tabling also any memorandum from which any statement was made to the parties on June 13 or 14 and any correspondence, including telegrams to and from the Canadian Labour Congress, the Prime Minister and himself?

Mr. Nicholson: With regard to the tabling of any memoranda which may have been used, and which might reflect only part of the conversations which took place, I question whether such memoranda should be filed, but I shall be glad to discuss this suggestion with the Prime Minister. With regard to the second part of the hon. member's question, namely whether we would be prepared to table letters and telegrams, an exchange of correspondence, with the president of the Canadian Labour Congress, in order that all hon. members may know the contents of these communications I will be very glad to read a telegram which came to me from the president of the C.L.C. and a reply that I sent on behalf of the Prime Minister and myself yesterday.

Some hon. Members: Agreed.

Mr. Nicholson: A telegram was sent to me by the president of the Canadian Labour Congress dated July 6. It reads:

As indicated to you during negotiations concerning the International Longshoremen's Association I wish to reiterate to you that as a firm matter

of policy the Canadian Labour Congress is unalterably opposed to any type of legislation indicating compulsory and binding arbitration. This type of legislation is completely contrary to democratic methods and to normal collective bargaining.

Claude Jodoin, President C.L.C.

An identically worded night letter or telegram was sent to the Prime Minister. The reply I sent to the president of the C.L.C. on behalf of the Prime Minister and myself reads as follows:

In reply to your telegrams of July sixth to the Prime Minister and to me I would say that the traditional opposition of organized labour and management to the practice of compulsory arbitration in disputes over interests as distinct from grievances affecting rights is well known and I appreciate and respect the basic considerations underlying this attitude. It is equally well known and documented in the settlement of some disputes that labour and management have resorted to arbitration on specific issues that cannot be settled otherwise and which stand in the way of complete settlement. Likewise labour and management have agreed to settlements which provide for binding arbitration within prescribed limits. Previous governments of Canada have enacted legislation providing for binding solutions. As you are well aware most of the issues involved in the recent longshore dispute were settled by agreement and those directly concerned realized that legislative action was necessary and was promised to solve the remaining issues and thus bring about a complete settlement.

There is ample proof of this fact. As one instance, you will recall that on June thirteenth while you were present the Prime Minister read a statement to the ILA representatives concerning the two or possibly three issues remaining in dispute in which he suggested that the ILA drop its demand for the application of retroactivity to overtime and that the shipping federation accept the following proposal with respect to the four-hour recall "that this item be submitted to the commission for examination and that the recommendation of the commission with respect to this item be binding in precisely the same way as the recommendation with respect to gang-size. The four-hour recall would then be dealt with and included or not within the contract in the manner specified by the commission". You will also recall that also in your presence the suggestions of the Prime Minister in this regard were later accepted by both parties.

John R. Nicholson,
Minister of Labour.

Mr. Diefenbaker: I wonder whether the other documents which the minister filed can be appended to today's *Votes and Proceedings* in order that we may have a full record.

Mr. Knowles: As an appendix to *Hansard.*

Mr. Diefenbaker: Or *Votes and Proceedings.*

Mr. Nicholson: I have no objection. I would be glad to do so.

Mr. Speaker: Is it agreed that these documents appear as an appendix to *Hansard*?

[Mr. Nicholson.]

Some hon. Members: Agreed.

[*Editor's Note: For text of documents above referred to, see appendix.*]

Mr. Speaker: I call the attention of hon. members to the fact that the question period expired some four or five minutes ago. I suggest we move on to orders of the day.

Mr. Lewis: On a point of order, then, with great respect, because we spent some time on business other than questions, I draw to Your Honour's attention the fact that the telegram last read by the minister referred to an extract from a statement by the Prime Minister when the parties were present. I submit that in view of the reference to that statement in the telegram, the statement itself ought to be tabled.

Mr. Nicholson: I said earlier, Mr. Speaker, in answer to this suggestion that I would consult with the Prime Minister to determine whether we agree to tabling it.

Mr. Speaker: Orders of the day.

Mr. Nugent: On a point of order which has to do with the business of the house, bearing in mind the statement made by the leader of the house last night, the discussion in the house today and the minister's last words to the effect that he was in the hands of the house, I do not think the business before the house has been determined. I do not believe it should be settled by the Clerk.

Mr. Speaker: Order. The hon. member knows the rules of the house. The calling of business is in the hands of the government, and it will be known in just a moment what business is called.

Mr. Nugent: I think the government should indicate it.

Mr. Speaker: It will be indicated in a moment what the business is to be.

• (12:30 p.m.)

CANADA ASSISTANCE PLAN

ESTABLISHMENT OF PROGRAM TO ASSIST PERSONS IN NEED

The house resumed, from Tuesday, July 5, consideration in committee of Bill No. C-207, to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need—Mr. MacEachen—Mr. Batten in the chair.

The Chairman: When the committee rose last Tuesday we were about to discuss clause 5.

On clause 5—*Amount of contributions.*

Mr. Knowles: Mr. Chairman, this is one of the important clauses of this bill. In fact it is the one which sets out the formula under which contributions will be made to the provinces on the one hand with respect to assistance payments made by them and on the other hand with respect to the costs of welfare services maintained or established by the provinces. It would be useful if the minister would make a statement giving the terms of the formula in simpler language than is contained in the clause.

Mr. MacEachen: Mr. Chairman, in response to the question asked by the hon. member for Winnipeg North Centre I shall begin to reply, and if he wishes further information I shall be glad to try to provide it. The rate of contribution for assistance, which is referred to in paragraph (a), is set out at 50 per cent of the cost to a province and to municipalities within the province. Federal sharing is limited to expenditures made by a province and municipality, although if a voluntary agency provides assistance that assistance will be supported by the federal government only in respect of that portion of the cost paid by the province or one of its municipalities. This gives an opportunity for voluntary agencies to participate in the plan.

Paragraph (b) provides a basis of contribution toward welfare service costs. It is divided into two parts which set out alternative methods by which the federal government may make contributions to a province at the option of the province. Under either alternative 50 per cent is the rate of sharing by the federal government.

During discussion of the Canada Assistance Plan at the conference of welfare ministers early in the year there was some consideration of how we might be able to participate, in as administratively simple a manner as possible, in sharing in the additional new service costs incurred by a province. As hon. members will note, in one case the federal government will pay additional amounts incurred by a province over and above the costs incurred by it and its municipalities for welfare services during a defined base period. The base period is set out in subparagraph (B)(1) as the cost to the province coinciding with or ending in the period commencing April 1, 1964, and ending March 31, 1965. In that case there will be the use of a base period. In the second case there is not the use of a base period but simply a cut-off point, which is March 31, 1965.

In a sense this really is not a crucial point to the principle of the bill. It provides some administrative flexibility to the provinces. In the second case, by using a cut-off period the province of Quebec in particular felt it would be more simple administratively and would not involve as great a federal involvement in ascertaining their actual costs under this program.

Provinces may choose either option. Indeed, they may choose a combination of both options. There is the 50 per cent generally. Then there are the two alternative methods for meeting the additional costs of welfare services and then, of course, there is the method of dealing with regulations for the determination of capital costs which generally will be excluded from federal financial support.

Mr. Knowles: I agree with the minister that there is nothing crucial with respect to the alternative choices granted to the provinces in subparagraph (B), and I am not going to suggest there is something crucial with respect to the rest of the clause, but I would like to be sure that we clearly understand it. In clause 5 we are dealing with two main areas in which contributions will be made by the federal government. One is in the area of what is called assistance, actual dollars that are paid to people in need. The other is in the area of welfare services, people put on staff to render services even though some of those services may get through in terms of equivalent dollar value to people.

Is it clear with respect to the first category, that of assistance payments to people, that the federal government will pay 50 per cent of whatever is the total cost to the province, municipality, or any other approved body? Does the minister want to say yes at this point?

Mr. MacEachen: Yes.

• (12:40 p.m.)

Mr. Knowles: In respect of what are defined as welfare services and with regard to the putting of people on staff and providing services, the federal government will not pay a portion of the amount the provinces or municipalities have been spending up to the base year but rather will pay 50 per cent of the excess of cost from then on?

Mr. MacEachen: That is right, Mr. Chairman. Naturally the provinces would have preferred that we pay all costs. The purpose,

however, really is to provide an incentive to the provinces to engage the additional personnel who will be required to make the Canada Assistance Plan work along the lines expected. We expect that incentive is provided by sharing one-half of the cost of additional staff according to either of the options set out in the clause.

Mr. Knowles: May I pursue this a moment longer. I thank the minister for his statement and I welcome the suggestion that this is set up as an inducement to the provinces to expand their welfare services. I take it that this is in line with the view generally expressed that we want not only to make dollars available to people by way of assistance but also want to help people get off welfare as fast as they can.

I do not wish to get into a matter of detail at this time which would interfere with general discussion by the hon. member for Portage-Neepawa and the hon. member for Simcoe East, but at some point I should like to have two breakdowns in respect of the total amount of money the government expects to pay in the first year under the provisions of clause 5. My two breakdowns are these: On the one hand I should like to know how the $85 million which the minister is talking about is broken down among the various categories under which these moneys will be paid. My second request is for a breakdown with regard to how much of the $85 million would be under the heading of assistance and how much would be under the heading of welfare services. If my friends wish to pursue a more general discussion before we get into this detail I do not mind, but at some point I should like to have these detailed figures put on the record.

Mr. Rynard: Mr. Chairman, I should like to ask the minister whether the federal government takes any part in the establishment of regional offices. Could he also outline to us where these regional offices are, particularly with regard to my own province of Ontario? Does the federal government have any part in the choosing of the regional offices? I am asking this question because in the province of Ontario regional offices are now being established. In the areas where regional offices are being established now does the federal government pay 50 per cent of the cost of operation and of staff?

Mr. MacEachen: Mr. Chairman, the location of any regional office which is set up under the Canada Assistance Plan would be, as the hon. member for Simcoe East appreciates, a matter for decision by the provincial governments, but we will be sharing through the federal parliament, if this bill is approved, 50 per cent of the additional staff costs in any office.

Mr. Rynard: Mr. Chairman, I do not know whether the minister grasped the last part of my question. Will the federal government pay 50 per cent of the total cost of the operating staff of the regional office?

Mr. MacEachen: We pay 50 per cent of the staff salaries.

Mr. Enns: Mr. Chairman, I should like to follow up this line of questioning. I believe I understand the clause correctly, but perhaps the minister would be able to define again the actual participation of the federal government in the payment of services so far as existing offices are concerned. As the minister has defined, and as it states in the clause, I know that any extension of services will be met by a 50 per cent contribution from the federal government, but if there is no extension and merely a salary increase, let us say, will the salary increase also be covered by the 50 per cent formula?

Second, in the event that there is no extension of services or even a salary increase, the municipality or agency will not benefit through the Canada Assistance Plan unless it does extend its services. Is that correct? I am not saying this in a negative sense because I agree there is an incentive here. When I spoke on this bill earlier I deplored the lack of standards. Perhaps it is a better way if the plan is providing incentives to improve standards.

Mr. MacEachen: With regard to the first question concerning whether salary increases aside from staff additions would be supportable, the answer is yes, if the province selects option 5(1)(b)(i)(A). My hon. friend asks whether there is any way in which welfare services can be supported except in the case of an extension. Welfare services can be supported if these welfare services are purchased under the definition of assistance in clause 2, welfare services purchased by or in the name of a provincially approved agency. In other words, 50 per cent will be shareable if these services are purchased for recipients of social assistance or public assistance. To that extent, the existing welfare services will

be supported under the Canada Assistance Plan.

Mr. Enns: I have one follow-up question. I agree that services and direct assistance are supportable but there seems to be no provision for capital cost support. Is that correct?

Mr. MacEachen: This is correct. In clause 5 the right to assistance does not include any capital cost as defined by regulation for the purpose of this paragraph. The general effect of the paragraph is to exclude capital expenditures from the calculation of the costs of assistance. There may be some exceptions to this and we will deal with these exceptions by way of regulations. For example, we hope through regulations to deal with situations such as those which pertain to homes for special care where capital grants for such homes will not be considered by the plan but where debt charges, both principle and interest, may be included in setting per diem rate charges for the maintenance of persons in need.

• (12:50 p.m.)

This carries forward a policy that was adopted under the Unemployment Assistance Act. Similarly, in the area of items of special need referred to in the paragraph defining assistance, the intent is to cover small items of furniture and household equipment where these are matters of urgent necessity. But the intention is to provide for limitations which will keep such expenditures within the intended scope of the measure. It is intended really to look after the day to day costs rather than capital costs.

Mr. Enns: I am interested in the minister's interpretation of these regulations. My question now is, does this extra provision apply only to the needs in the area of health or does it also make it possible for welfare needs to be met? I am thinking of the establishment of institutions such as child care centres.

Mr. MacEachen: Yes, Mr. Chairman, I think it would apply in that area as well.

Mr. Barnett: Mr. Chairman, I listened with interest to what the minister said in respect of clause 2 in that cost does not include any capital costs as defined by the regulations. If I heard him correctly, he did say that under the regulations there might be some exceptions. I should like to raise a question and perhaps I can best do so by giving him a particular example of a situation with which I am personally familiar.

It concerns some handicapped people who have been endeavouring to maintain themselves by banding together in a group as self-supporting persons. Capital costs have been one of their major problems. I note in the interpretation clause of the bill under (a)(ii) it states:

> Prescribed items incidental to carrying on a trade or other employment and other prescribed special needs of any kind,

Farther on in the interpretation clause under (n) it states:

> "Welfare services provided in the province" means welfare services provided in the province pursuant to the provincial law to or in respect of persons in need or persons who are likely to become persons in need unless such services are provided;

Some time ago I made inquiries as to the possibility of the existence of any legislation by which federal assistance could be made toward capital costs which would enable this group, rather than as persons or individuals, to obtain assistance in respect of capital costs. This would be covered, I think, by the words "incidental to carrying on a trade or other employment". I discussed that situation with the Minister of Labour in his capacity as the minister answering for Central Mortgage and Housing and I was informed there was nothing under that act which would cover it because dwelling accommodation was not involved. I also had a discussion with the minister and the officials of the Department of Labour as to what might be available under the vocational technical assistance plan in the field of capital costs and I was informed that there was nothing because that program is limited to the carrying on of a trade.

I hope the minister can appreciate my concern about whether or not there can be some participation in capital costs to provide a building and working equipment for a group such as I have mentioned. The people in the group are under great difficulty but they have managed to maintain themselves as self-supporting individuals in spite of their physical handicaps. I hope that some assistance of this kind can be provided under the bill we are now considering because of the inclusion of exceptions under the regulations. I hope there can be participation by the federal government with the provincial authorities in providing some form of capital assistance to groups such as I have been attempting to describe.

Mr. MacEachen: Mr. Chairman, the Canada Assistance Plan is basically a program for assistance to persons, and is not really intended to be a program for capital assistance. It is only incidental to the requirements of individuals in need that any kind of capital sharing would be undertaken. That is mentioned, of course, in clause 2 (a) (ii) which states:

> Prescribed items incidental to carrying on a trade or other employment and other prescribed special needs of any kind,

We can foresee that if the province puts forward items of a capital nature, equipment, for example, that individuals such as my hon. friend mentioned might require, we could conceivably share on the basis of the experience and policy adopted under the Unemployment Assistance Act. We propose by way of regulation to make it possible to accept participation in capital costs to the extent of the payment of interest and principal when these are involved in the per diem costs of looking after people. Beyond these limited instances the Canada Assistance Plan will not be a capital assistance program.

Mr. Barnett: I am sure that the minister would be inclined to agree with me that the kind of situation I have described does not seem to fit into any program. These people are not asking for a welfare grant in the ordinary sense but they are asking for assistance in the acquisition of premises and some equipment which will enable them to carry on successfully as a self-supporting organization. If the minister feels in his mind that this program is not designed to meet the situation I have described, can he tell me whether the government has any program in mind which would meet this obvious gap and the needs of these handicapped and disabled people in order that they can maintain themselves as self-supporting citizens?

Mr. MacEachen: Mr. Chairman, I appreciate the nature of the problem my hon. friend mentions in respect of handicapped and retarded children and persons. The Canadian Association for Retarded Children has made a proposal to the government for rather major assistance. Included among the projects of that proposal is provision for the kind of support mentioned. At the present time my department and the vocational rehabilitation division of the Department of Labour are considering what can be done in this field. Only last week a meeting was held with these groups in order to determine what our final position will be. This matter is under active consideration at the present time.

Mr. Barnett: I thank the minister for that information because I realize there is a relationship between the situation I have described and the proposals put forward by those interested in the matter of sheltered workshops and so on for people who are mentally retarded. I hope the minister will assure me that when such a program is being considered it will be considered in relationship not only to the mentally retarded who need special help to become self-supporting but also groups whose handicap is physical in the normal sense of that word.

• (1:00 p.m.)

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, when we were discussing this bill the other night I raised the question of whether there were projections of how much the provincial governments would be requiring this year. I asked for a breakdown in regard to first, day care centres and second, homemaker services, The minister was good enough to say that he would give me some information along this line when we got to this particular clause of the bill. Can he give me that information now?

Further, the hon. member for Comox-Alberni raised a point in which I am interested in connection with day care centres. Is there going to be any provision from the federal end—I presume there will be for the training of personnel for day care centres—in connection with the capital costs of these centres or is that left out of this bill entirely?

Mr. MacEachen: Mr. Chairman, the comments I made earlier with respect to capital costs generally would apply to the question raised by the hon. member for Vancouver-Kingsway. When we discussed the clauses of this bill last time I promised her that I would try to reply as well as I could to the points she raised when speaking about day care and homemaker services. In replying to the hon. member I should like to associate myself with her in her concern and assure her that I recognize the importance of such services and that the Canada Assistance plan has been designed to provide appropriate federal support in this field.

The hon. member is quite correct in telling us that too little information is available about the extent and nature of day care services for children in Canada. I think she is quite right in pointing out the lack of information in this respect. I hope she will be

pleased to know that the department has for some time recognized the need for such information and has agreed to finance a special study of this particular aspect to be conducted by the Canadian Welfare Council.

The total cost of the survey will be covered through the national welfare grants program, and because of the interest of the Department of Labour, especially the women's bureau, and the department of manpower and immigration we will be involved in a special interdepartmental committee to advise on the study. This will be an intensive survey of the extent of services and facilities in Canada at the present time, the attitudes of people toward the provision of day care services and the extent to which new facilities should be provided. When this survey is completed we will obviously be in a much sounder position to move ahead with the development of additional facilities.

I also agree with the hon. member that day care facilities for children are an important preventive measure and should be given full support. The fact that at the present time there are relatively limited facilities in Canada for this purpose means that a great deal has to be done to develop new services. I am hopeful and confident that the new funds available for this purpose will go far to help stimulate and encourage welfare departments and voluntary agencies to push ahead as quickly as possible.

Hon. members may have read the article which appeared on June 5 in the Toronto *Globe and Mail* concerning the development of day care facilities in the province of Ontario. The article stated that as soon as the Canada Assistance Plan passes through the House of Commons and as soon as provincial regulations are drawn up, the offer of the provincial government to subsidize day nursery operators will become more generous. The article stated that 80 per cent of day nurseries' operating costs will be paid by the senior governments, leaving the municipalities to pay 20 per cent.

Mr. Knowles: Wasn't that July 5?

Mr. MacEachen: June 5, I believe. Perhaps my notes are incorrect in this respect. This is an interesting example of the effect—

Mr. Knowles: It was just this week, Tuesday.

Mr. MacEachen: —that the Canada Assistance Plan can have in encouraging the development of new day care facilities. I am hopeful that the municipalities in Ontario will respond to the provincial department's proposed offer and I can assure the hon. member that federal funds will be available through the Canada Assistance Plan to the extent that they are needed and can be used by the provinces.

The hon. member for Vancouver-Kingsway also referred to the importance of homemaker services as a preventive measure and asked that I give some indication of the exact amount of money that will be made available for this type of service during the remainder of the year. I regret that my answer has to be that I am not able to say precisely what amount will go to these kinds of services during the current year. The lack of information on existing services and the various methods of financing used make this impossible.

In some provinces, including the province of British Columbia from which my hon. friend comes, such services can be paid for through general assistance and the amounts provided are therefore varied in these general assistance costs. I can, of course, reiterate my assurance that the Canada Assistance Plan will make funds available in these areas in any amounts claimed by the provinces. That is the main thing. While we cannot say what will be spent, we know that amounts claimed in any magnitude by the provinces for these services will be made available through the Canada Assistance Plan.

I am grateful to the hon. member for Vancouver-Kingsway for having drawn this matter to the attention of the house and having highlighted the important concepts through her participation in this debate. I conclude by assuring the hon. member that one of the objectives of the Canada Assistance Plan is to reach the people she mentioned, namely, the women and children of Canada. I believe that through this plan these services can be developed.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I thank the minister very much for this report. He mentioned that Ontario was going to start out in a big way to avail itself of this money for day care services. Is there any indication from any of the other provinces as to the extent of their interest or that they are interested?

Mr. MacEachen: Mr. Chairman, the only indication I can give is that at the conference we had with the health ministers and their

officials there was a great deal of interest in this aspect of the plan, especially among the officials. In the federal and provincial governments there is a very keen awareness of the real possibilities in these areas, which may not be as well publicized as others. But there has been considerable interest. The passing of the plan will make it possible for the provinces to participate, and I hope they will.

Mr. Knowles: Mr. Chairman, is the minister now in a position to give the figures I asked for some minutes ago? I asked for a breakdown of the figure of $85 million which he said will be the federal government's anticipated contribution in the first year this plan is in operation. I asked if that figure could be broken down into general categories and if he could also break it down as between assistance and welfare services.

• (1:10 p.m.)

Mr. MacEachen: Mr. Chairman, the hon. member for Winnipeg North Centre wishes to have the components that went into the estimate of $85 million as the fresh amount that will be required in the current fiscal year for the Canada Assistance Plan. I should like, first of all, to give the items involved, then the preliminary estimate of federal cost—these are both preliminary and estimated—and then the clause of the bill involved so that hon. members may refer to the bill. The first item is mothers' allowances, and the preliminary estimate of fresh federal cost is $27.2 million. This is covered in clause 5 (1)(b)(i)(A) of the bill. The second item is health care costs, and the preliminary estimate of federal cost is $22 million. The relevant section of the bill is clause 5(1)(A). The next item is the extension of staffs and welfare services, and the amount if $4 million. The relevant clause of the bill is clause 5(1)(B). The next item is additional child welfare costs. The federal preliminary estimate of cost is $16 million and the relevant clause of the bill is clause 5(1)(A) and (B). The next item is work activity. The preliminary estimate of federal cost is $500,000 and this is covered in part III of the bill. The final item is other program improvements and extensions, $15 million, and the clause of the bill is 5(1)(A) and (B).

These are the components of the proposed fresh amount of $85 million. Of course, it is an estimate and will depend for its validity, either up or down, on the extent to which provincial governments utilize the availability of the funds under the Canada Assistance Plan.

[Mr. MacEachen.]

Mr. Douglas: Before the minister sits down, may I ask him what the cost will be of the federal government's share of supplementary payments to old age pensioners over and above the regular $75 per month which they get under the old age security plan?

Mr. MacEachen: No, Mr. Speaker, we have no estimates. The estimates here have been drawn up on the basis really of unknowns in that field. For example, when these estimates were drawn up we had no idea that the province of Prince Edward Island would proceed on the basis of supplementation as they have. The proposal of that province is to pay, as I said in committee and the leaders of both parties in Prince Edward Island have agreed, a supplementation up to $100 for every old age pensioner in Prince Edward Island. It is applied right across the board.

The provincial government will then come forward and claim under the Canada Assistance Plan for that part of the population in need. At the moment, therefore, we have no way of knowing the extent of the costs involved, even in that province. We do know that they will come forward. What they have done, of course, has been to rely on the fact that this bill will be passed. The payments will be retroactive to April 1, 1966. Accordingly, they have made the $25 available retroactively and have sent out the cheques, I understand, bringing the total cheques for the strategic end of June period up to $150 a month. They are relying, of course, on this bill being passed by the parliament of Canada so that a share of these costs will be met by the provisions of the Canada Assistance Plan. I think this illustrates the difficulty of making appropriate estimates.

Mr. Douglas: I appreciate the fact the government has to make estimates and that these estimates may be completely confounded by the actions of the provinces which may choose to make larger payments than had been anticipated. Naturally they will call on the federal government to pay its share.

However, in computing the $85 million the minister and his officials must have had some estimates as to how this would be broken down. The minister has just given some of them to us. What is his estimate of the amount, out of the $85 million, that will be attributable to demands from the provinces for supplementary payments to old age security pensioners?

Mr. MacEachen: Well, Mr. Chairman, this question involves all sorts of related decisions or related policies. For example, another step may be taken by the parliament of Canada with regard to old age security recipients which will considerably influence the extent of provincial supplementation necessary or desirable. Whether old age pensioners receive $100 a month or $105 or an even higher amount under other old age income security programs, it seems to me there will still be a need for the kind of supplementation that is provided under the Canada Assistance Plan.

For example, I mentioned, or I had intended to, the cases of elderly people who may be in special care homes, the monthly cost of which may be $300. The Canada Assistance Plan has a role, it seems to me, over and above any other flat rate income program, so under the Canada Assistance Plan the federal government will be doing its part in sharing in the cost of supplementation. The federal government will share half the cost of supplementation, but we do not intend to place any upper limit on this federal share as it relates to income maintenance payments or health and welfare services. Since both traditionally and constitutionally the responsibility for persons in need of assistance rests with the provincial governments, the federal government cannot go much farther than this.

The federal government, of course, has made additional funds available to the provinces through action with respect to old age security programs and has indicated to the provinces our expectation that these funds would be used in supplementary and other assistance payments and welfare services. It is estimated that in 1966-67 the provinces will save $12.3 million through a reduction of the age eligibility from 70 to 69 and having that group of the population removed from the old age assistance case load. This figure will rise substantially until, by 1970, the provinces will be relieved entirely of their share of the cost of old age assistance, with a saving we estimate in that year of approximately $50 million. The sharing of the existing provincial costs of mothers' allowances and child welfare will, of course, provide the provinces with another source of additional new revenues, not only to improve these programs but also to provide funds for improvements of other aspects of their assistance programs, including supplementation.

The effect of any action to be taken by the federal government through other legislation with regard to additional income security will, of course, influence the extent to which supplementation is needed. So the hon. member for Winnipeg North Centre is in a position to draw very optimistic conclusions from the estimate that we have proposed, if he wishes, in this particular breakdown. It will influence the extent to which supplementation is needed. Any other action which is taken will depend on the extent of supplementation required by a province.

• (1:20 p.m.)

It would be my expectation that it would be wholly desirable in certain cases for that supplementation to be forthcoming regardless of any other action that might be taken. I can assure hon. members that the $15 million estimate to provide for supplementation and improved general assistance rates would be much higher were it not for the fact that a type of provision other than the Canada Assistance Plan is contemplated.

Mr. Mongrain: Mr. Chairman, I should like first to beg the indulgence of the minister because I will try to pose my questions in the best English I can muster, out of courtesy to the minister I understand that this bill has been discussed with the authorities of the provincial government of Quebec. I should like to know from the minister, and I apologize if this question was asked when I was not here, whether the Quebec government accepts this bill. Is it ready to participate in the bill as it is or there is to be any special arrangement made? If there is, what is the arrangement and on what basis is Quebec's share of the $85 million going to be given to that province?

Mr. MacEachen: Mr. Chairman, this bill was discussed at several meetings with the provinces. Earlier in the year we had a meeting of welfare ministers at which the minister for the province of Quebec was present. In a general way we secured the support and agreement of the province of Quebec, as we did of all the provinces, with respect to what is in this bill.

There is, for example, in this particular clause an option by means of which provinces may choose to secure their support for welfare services, and one particular choice was included to meet the particular requirements of the province of Quebec. In clause 19, to which we will be coming later, there is provision for the extension of the Established Programs (Interim Arrangements) Act to the Canada Assistance Plan.

Canada Assistance Plan

Mr. Douglas: Mr. Chairman, may I follow up the question I asked the minister a moment ago? I completely agree with the minister that there will always be need for the Canada Assistance Plan with respect to special cases of need among the old age security pensioners, but I am particularly anxious to find out about the whole question of supplementation. As I understand the minister's breakdown, there is an estimated $15 million as the federal government's share for making payments to the provinces for any supplementation that they may provide. That is for the different plans covering elderly people.

What I am not clear about is this. The minister says that the reason it is relatively small is that it has to be viewed in the light of other legislation which may be forthcoming. Does that mean that the provinces have made their plans on the basis of the federal government introducing other legislation to supplement old age security pensions or old age assistance pensions? Did they know that the federal government intended to do something, other than what is provided in the Canada Assistance Plan, for the old age security pensioners?

Mr. MacEachen: No, Mr. Chairman, the provinces have not been made aware of any proposals that may be in the offing in the pension field. They have not been given any indication except the indications they may have gained from what has gone on in the house. These are estimates. But the point is that any amounts claimed by a province in any program of supplementation would be made available under the provisions of the Canada Assistance Plan.

Mr. Douglas: Mr. Chairman, to follow up that question with another, it seems to me that this situation is somewhat unfair to the provinces. If the minister is contemplating other legislation to assist old age security pensioners, in what position does this put a province like Prince Edward Island which has now committed itself to meeting half of the cost of paying a supplementary pension of $25 a month? In the event that the federal government decides to bring in additional legislation providing for some type of annual guaranteed income, would this leave a province like Prince Edward Island in the position of having committed itself to meet half of the supplementary costs when, if it had waited till the government brought down other legislation, the entire supplementary cost would be borne by the treasury?

[Mr. MacEachen.]

Mr. MacEachen: Mr. Chairman, I agree with the point made by the hon. member for Burnaby-Coquitlam that any further step taken by the government and the parliament of Canada will affect any provincial program. To that extent the action of the government of Prince Edward Island has been taken in the absence of complete knowledge of what may happen in the future. I do not know how to overcome that except that it might be possible, if and when further action is taken by the parliament of Canada, for the province of Prince Edward Island to adjust its program accordingly, if it found it in its own best interests to do so. That is the only thing I can suggest.

Mr. Douglas: The situation could have been avoided by drafting both programs at the same time.

Mr. Ricard: Mr. Chairman, earlier in the debate I rose because I wanted to ask the minister a question but I was not recognized. Then I had to be out of the chamber, with the result that the hon. member for Trois-Rivières asked the question I wanted to ask. As a supplementary I should like to ask the minister whether he has come in contact with any members of the new administration in the province of Quebec to ascertain if the views of the new administration are the same as the views of their predecessors.

Mr. MacEachen: Mr. Chairman, I have received no negative word from the new administration in Quebec, and neither have my officials, with respect to the Canada Assistance Plan. I am hopeful that the provisions of the plan will be acceptable to the province of Quebec because I believe that they are in line with the thinking which has been developed in that province. And, of course, clause 19 applies the contracting out provisions to the Canada Assistance Plan, so that at a future time, as my hon. friend knows, these provisions will become operative.

[*Translation*]

Mr. Mongrain: Mr. Chairman, my question would be supplementary to that of my colleague, the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard)—

[*English*]

Perhaps I did not make myself too clear when I put my question, so may I ask the minister again. In addition to these preliminary discussions at which ministers and officials from the welfare department of the

province of Quebec were present, were any agreements made with the former government? If so, under this basis what would be the share of the province of Quebec in the $85 million for this year which we have talked about?

• (1:30 p.m.)

Mr. MacEachen: Mr. Chairman, I have no special agreements with any province, excepting the provisions of this bill which take into account the discussions that we have had with all the provinces. There is nothing in the bill that represents anything that has not been discussed, although in some cases we have attempted to accommodate the special wishes of particular provinces, including Quebec. The province of Quebec will participate in precisely the same way as other provinces with respect to the benefits available under this plan except that the contracting out provisions of the Established Programs Interim Arrangements Act will apply.

Mr. Mongrain: Could I ask another question, Mr. Chairman? Suppose the new government of Quebec comes to Ottawa and says to the minister: We are not ready to participate in this plan as it is but we should like to have all the money that was supposed to be applied to the province of Quebec and we shall distribute it as we please. My question arises out of certain declarations which have been made by the new premier of Quebec. What would be the reaction of the government in that case?

Mr. MacEachen: Mr. Chairman, I would hope that the provisions of the Canada Assistance Plan will appeal to the new government of Quebec. Of course, if any new proposals were made by the new Quebec government the government of Canada would consider them. We are operating on the assumption that all governments have generally accepted the provisions of the plan. We have had no contrary information, and I believe this plan will be of great value to Quebec, as it will be to other provinces.

Mr. Knowles: Mr. Chairman, the minister invited me to be optimistic on the basis of the breakdown of figures that he gave a while ago. I can only say to him that I am optimistic in spite of the figures, not because of them. Nevertheless I am optimistic. I am referring, of course, to the position of old age pensioners generally and to old age security recipients in particular.

When I say that the breakdown of figures given to us by the minister does not in itself lend to optimism, it is because I am looking at the figure of $15 million which is listed for program improvements. I understand that this is the amount of money the federal authorities estimate they will have to pay out in the course of the first fiscal year in response to provincial requests where the provinces improve various programs of assistance.

I understand, therefore, that this covers possible supplements to the old age security pension, as is being done in Prince Edward Island. This also covers other programs. Perhaps the categorical programs will receive most of it. At any rate, the $15 million is not all available for old age pensioners. If we are to assume that dividing that money among four or five programs is what will happen, that reduces the amount to a mathematical figure of $5 million or $6 million, or perhaps less, which will be available to the recipients of the old age security pension.

If the federal government is making available or expects to make available $5 million in the first year for the old age pensioners of Canada, since there are 1 million of them that averages out at $5 a year per pensioner, or 40 cents a month. That is not something that would directly make me optimistic. But, Irish though it may sound, it does make me optimistic precisely because I realize that the government knows it cannot get away with doing that little for the old age pensioners of this country.

If it had not been for the things the minister said this morning I should be going after him pretty strongly with respect to what we are now talking about, namely, the $15 million for program improvements. To try to fob off the old age pensioners with the amount of money that is available for such program improvements just would not do. For the minister to tell us that he does not know what the provinces are going to ask for hardly squares with these estimates in the six categories that he has given us.

I assume there have been consultations between the officials of the minister's department and the officials of the corresponding departments of the provinces, and that this is a reasonable guess or estimate as to what the provinces will do in these areas on the basis of which they will be able to get fresh or extra money out of the federal government.

I submit, Mr. Chairman, it is pretty clear that the government does not expect the

provinces to avail themselves of the provisions of the Canada Assistance Plan to any significant extent for the purpose of helping our old age pensioners. It is obvious that the government assumes that the provinces are faced with other claims, with other priorities. Since the provinces will be calling on the government, according to what is in the estimate, for only $15 million for program improvements in the first year, it is obvious that not much is going to be done under the Canada Assistance Plan for our old age pensioners.

This comes as a disappointment on several counts. For about a year we have been told to wait for the Canada Assistance Plan. We have been told that it would be the legislation under which something would be done for our old age pensioners.

I have also been disappointed at the many references to $125, $140 or other outlandish figures that people will get under the Canada Assistance Plan. Obviously the government knows that is just talk and that the provinces will not pay such pensions; otherwise there would have been a figure to cover that in these estimates.

However, the minister can be assured that the harshness of some things I may have said on this subject is softened by his assurance this morning on orders of the day that when this legislation is put through he will consider making, while parliament is still in session, the government's statement relating to old age pensions. That also holds true because of the minister's statement, in response to an inquiry from the hon. member for Burnaby-Coquitlam a short time ago, that what the government does or what the provinces do by way of supplementation under the Canada Assistance Plan depends on what the flat rate pension is.

All I can say is that the message has got through to the minister that it is not good enough to leave the flat rate at $75 and to call upon our senior citizens to rely on social assistance, such as the Canada Assistance Plan, for any supplementation. The message he got was that first of all he has got to do something about that $75 flat rate.

In his speech on second reading the minister made a statement with which I completely agree, namely that we should minimize the reliance on social assistance of people who are in retirement. If the minister leaves the figure at $75 he would actually be maximizing the reliance of our people on social assistance.

[Mr. Knowles.]

I am glad the message has got through. What the minister's response will be we shall have to see when we have got this bill through the committee stage and third reading. But surely it is clear that all the talk as to what was going to be done for our senior citizens under the Canada Assistance Plan was just talk.

• (1:40 p.m.)

I want to say again that I like these other sums of money which are being made available for sharing the cost of things like mothers' allowances, child welfare, administration and so on. I am glad to note there is money available to improve programs of social welfare at what I might call the social welfare level. But let it be clear: if we were to stop at this legislation this parliament would not now be doing anything significant or realistic for our old age pensioners. I submit it has been worth while that parliament has been discussing this question. It has come to a point at which the minister is talking in this debate about the other legislation which is to be brought in for our old age pensioners and where we have an assurance there will be a statement on this matter before the recess.

Mr. Rynard: I understood the minister to say there will be $85 million available plus further sums as required.

Mr. MacEachen: Up to the amount required. Frankly, I do not attach any real importance to these figures. I do not attach any real importance to the $85 million or to the $15 million referred to by the hon. member for Winnipeg North Centre. They are estimates, and if the demand is greater there can be supplementary estimates. Depending on the reaction, greater amounts could be asked for by the provinces and any amount will be available to them under this plan.

Mr. Knowles: Provided the provinces pay their half.

Mr. Rynard: I had been attaching importance to this figure because an hon. member opposite said in the debate the other day that $85 million could not accomplish very much if all these groups are to be covered. He was speaking on a private bill. He is a parliamentary secretary and I thought that when he spoke he did so with some authority. This caused me some concern. I also felt some concern about the old age assistance situation. According to the figures he gave, there are some 85,000 people across Canada who are covered by old age assistance benefits.

Mr. MacEachen: Yes.

Mr. Rynard: That was the figure quoted the other day by the parliamentary secretary, not the parliamentary secretary to the minister but the hon. member for Coast-Capilano. On the basis of this figure of 85,000 even a modest increase of $25 would involve a sum of approcimately $25 million. Half of that comes to $12,500,000. Of course, if this figure can go to any limit, as the minister suggests, the problem is covered.

Mr. Knowles: Would the hon. member permit a question? Every time it is said that a provincial government can go as high as it likes, should it not be noted that there is the proviso that the provinces must pay half?

Mr. Rynard: That is correct. There is another thing which bothers me. There are no rules. One province can lag behind another. In other words, there will be an absence of uniformity across Canada. The minister introduced this measure with high-sounding phrases and I was inclined to go along with them. My own speeches have always been intended to bring help to the underprivileged. I thought the present bill would do this. I am now beginning to suspect it is an old piece of barnacle dressed up in a new dress.

I see no provision here which would take children out of the slum areas of our towns and cities. The hon. member to whom I have referred said the other day there were 600,000 people receiving unemployment assistance and 50,000 orphan children. But he said nothing about children who are living in the slums and nothing about illiterates. How are these people to be helped? If we do not provide such help we are not attacking poverty. I am very disappointed in this bill. Merely giving a hand out does not correct the situation at all.

I hoped we would assist these people by taking them out of slum areas and re-educating them so as to bring the cycle of dependency and poverty which has haunted them for generations, to an end. I still hope the minister will rise and say he intends to do this. I should like to know how.

Mr. MacEachen: What the hon. member is asking for is made possible through this bill.

Mr. Rynard: I am very glad to hear it.

Mr. MacEachen: It depends, of course, upon action taken by the provincial governments within their own field of jurisdiction. I have sufficient confidence in the sense of justice and the sense of humanity within provincial administrations in all parts of Canada to believe that they are as alive to the needs of the public as we are. This measure will give them the opportunity of which the hon. member for Simcoe East has spoken to apply programs exactly along the lines of those he mentioned.

Since concern has been expressed on this score both by the hon. member for Simcoe East and by the hon. member for Winnipeg North Centre, I think I should refer in more detail to the estimated cost of the Canada Assistance Plan. When I introduced the resolution I referred to the estimated cost of a number of the elements of the plan and mentioned the total would involve an increased federal expenditure of some $85 million in 1966-67. I also pointed out, however, that the full impact of federal expenditures would be felt as the provinces are able to strengthen and improve their programs.

I should like to emphasize this point and make it clear that this program, when enacted, will obligate the federal government to meet all expenditures duly claimed by the provinces that come within the scope of the act. Thus the amount of new cost to the federal government may well be greater than the $85 million to which I have referred.

Since these estimates were prepared some time in advance of the introduction of the bill the provinces, while able to make some extensions and improvements to their programs on the basis of the federal commitment to introduce this measure, have not been able to develop their plans fully until the Canada Assistance Plan is enacted. I mentioned the components of the $25 million—

An hon. Member: You mean $85 million.

Mr. MacEachen: Yes, $85 million. I was thinking of the coal industry of Nova Scotia. The first item concerns mothers' allowances where costs are now being borne substantially by the provinces. The estimate includes increases in rates of mothers' allowances which have been made in the last fiscal year and in the present year, in anticipation that half the cost of all these payments would be shared under the Canada Assistance Plan. While it is difficult to forecast what further steps may be taken in this regard for the balance of this year, we are sure this estimate is on the conservative side and it is quite possible that these costs may reach $30 million.

In the area of health care costs our estimates indicate that the federal share may be about $22 million for 1966-67. This includes costs of new developments such as the new program of health care for social assistance recipients in Quebec. As I mentioned earlier, any medical care costs shared under the proposed medicare program commencing July 1, 1967, will mean a reduction of costs shared under this program. However, the Canada Assistance Plan would continue to carry the costs of assistance recipients for health care services other than hospital and medical care.

• (1:50 p.m.)

The next item concerned the extension of staffs and welfare services. In considering the $4 million provided for welfare services it should be recognized that this amount relates almost entirely to salaries for personnel who provide the services. The recruitment and effective deployment of such staff is a time-consuming process, and we can expect steady but not dramatic development in this area.

There is a shortage of welfare personnel across Canada at the present time which may have a limiting effect on the rate of expansion. However, it is expected that both through the Canada Assistance Plan and the national welfare grants program substantial federal funds will be made available to assist in training the additional personnel required.

The demands on the federal treasury will increase significantly as new staff are added to provincial and municipal welfare departments and voluntary agencies. The important point with regard to this aspect of the program is that federal support will be provided to the extent that it can be utilized.

I now wish to say a word about additional child welfare costs. We consider that the $16 million estimate for additional child welfare services may be on the low side. It should be pointed out that some child welfare costs were being covered under the unemployment assistance program. These expenditures are for children in need of assistance in their own right who are in foster homes and who would ordinarily have been covered under mothers' allowance programs. The additional child welfare maintenance costs included in these estimates are over and above other federal expenditures now being made in this area. One of the considerations in these costs is the very rapidly changing situation in the child welfare field. For example, in Ontario, a large province where program developments would materially affect our earlier cost estimates, a substantial strengthening and improvement of child welfare services is now under way.

In discussing this estimate with my departmental officials they have indicated to me that these costs could, on the basis of recent developments, be as high as $20 million or even $25 million for this fiscal year. In our estimate of $85 million we included $16 million for child welfare but that may rise to $20 million or $25 million. That is why we cannot attach a firm determination to any of the figures.

Then there is the part dealing with work activity, for which we have included $500,000. In this regard we are embarking on a new, experimental field. It will take some time for the provinces to develop projects of this kind, but we would hope that the type of projects that have been developed in the United Kingdom and the United States might prove helpful, along with others which the provinces may have in mind, to do the kind of thing in the field of work activity that has been mentioned by the hon. member for Simcoe East and others. It would be a wrong conclusion to say that this $500,000 represents the potential value and potential cost of this program. It is bound to be an important component of the future effort to rehabilitate people in Canada, and $500,000 is a nominal figure.

In the figures I have given there is no reference to Indian welfare. We anticipate that there will be some new expenditures this fiscal year but it is difficult to assess how much these will be. Here again the provinces will have to be prepared to develop provincial welfare services before they enter into agreements to take over this responsibility. This will take some time, but the fact that the federal funds will be available and that the provinces have a firm federal financial commitment will be an incentive to them to provide for the extension of welfare programs to Indians on the same basis as other residents of the provinces.

The final component in the $85 million estimate was other program improvements and extensions. The estimates for mothers' allowances, health care and additional child welfare costs have included in them the costs of improvements to these programs as nearly as they can be gauged. Thus the estimates for

these categories include both existing expenditures and new costs arising from improvements and extensions. In each case we believe our estimates to be modest, and on the basis of recent developments our estimates could be as much as $10 million on the low side.

In the case of cost estimates for welfare administration and services and for work activity programs, only new expenditures are involved and they will be complemented by an equal expenditure by provincial governments.

Over and above all these expenditures, which include provision for improvement of the rates of assistance and expansion of services, there is an item of $15 million for other program improvements and extensions. This includes expenditures in categories that have been referred to by the hon. member for Winnipeg North Centre.

I think the same conclusion can be applied here as was applied in earlier remarks. The estimate here is based entirely upon an appreciation of existing conditions, prepared by the officials of the Department of National Health and Welfare. It was drawn up without, for example, foreseeing what might occur in the field of social welfare in the province of Prince Edward Island, and I think that development indicates how impossible it is to forecast.

All I want to say to members of the committee is that there is no limit on the degree of federal support for provincial supplementation undertaken in any field, including that of the aged. There is no limit on that federal support. If hon. members find this figure low then they can conclude optimistically that there may be other programs in the offing that will reduce the necessity of supplementation. But hon. members cannot have it both ways. They cannot complain about the small size of the estimate and then castigate the minister for not doing something more. If the minister does something more, then this figure will be low and hon. members will be happy.

I do not know how to conclude except to say that I have not lost any confidence in the ability of the Canada Assistance Plan to participate in any program of supplementation put forward by the provinces. All I hope is that the provinces will participate in the supplementation aspects provided under the Canada Assistance Plan to the full extent necessary to allow all recipients of social assistance to live in adequacy. If the provinces do not have to supplement, because of other action to be taken, so much the better, but so long as there is need to supplement the opportunity to do so is available under the Canada Assistance Plan.

Mr. Rynard: I thank the minister for the explanation of his hopes and aspirations. Now that he has told me this plan is going to cover the children, if the provinces participate in educating the ones below par before they go to school as is done under the United States scheme, this gives me a lot of hope. I am sure the minister will have little difficulty selling the enthusiasm he has shown today when he meets with provincial ministers. We in this chamber will expect him to do that.

• (2:00 p.m.)

Mr. Knowles: Mr. Chairman, I am glad to hear that the minister hopes he will be called upon to spend more money under this legislation than was suggested by the $85 million estimate. I express the hope that he will be called upon to spend a good deal more money under this act with regard to the categories of people for whom it is mainly designed. I also share his hope that he will not have to increase the estimated figure for old age security recipients precisely because he is going to do something else for them.

May I say to the minister that he will realize that one thing here is very obvious; no one can miss it. I recognize the right of the minister to adjust the estimate as he has done this morning, but when the estimate was prepared it was assumed there would be some reliance on it so far as old age security recipients were concerned, so a figure was put in. At that point neither he nor the provinces knew that something other than the Canada Assistance Plan might be provided in the near future for our old age security recipients. The change is pretty obvious. When it took place we do not know but it looks as though it took place in the last week or so. But since that change has taken place, will the minister not admit that we could discuss this legislation more intelligently if we knew what it is the government is going to do for old age security recipients?

I realize the minister has made the commitment that he will tell us after the legislation is passed, but from time to time this morning he has found it necessary to refer to something else which is going to be done and I am sure that if he would tell us what is going to be done we could discuss the present

legislation in the light of the government's intentions. I suggest he might go one step farther than he promised this morning and tell us what is going to be done. In this way I think he would find not only that we would be in a position to discuss this legislation a little more intelligently but that we might get along faster too.

[*Translation*]

Mr. Mongrain: As the only independent in the house, I am beginning to wonder if some members are not carrying on a filibuster or rehashing the same old things in order to delay the very legislation we would like to see passed. There is no doubt that everyone wants the old age pension to be increased or improved. I think there is no difference of opinion on that matter.

I am one of those who, at one time, voted with the government against increasing the pension to $100, because I had been assured that a bill dealing with social security would be introduced; and I had been led to believe that there would be a bill dealing with the old people. Since then, the minister has told us on several occasions that when he had met the needs of all the poor, the destitute in all classes of society, including the old people, since they have marginal needs, for instance medical care, etc., he would have a statement to make about the old age pension. I am one of those who find that obstinacy and stubbornness almost inexplicable from some opposition members who want to push the minister into a corner, as we say in Quebec, to wrench a statement from him. And in the end that delays the passing of the bill under consideration.

I would like to submit to the house in all objectivity, as an independent—I am not blaming the opposition for stressing the importance of increasing the old age pension, I think the opposition did something useful—but I think that we have come to the point in the last week or two where we are overshooting the mark and going against the objective sought.

I think that we should in this house come to an agreement to pass that bill which is an improvement anyway, which was conceived after consultation with the ten provincial governments. Therefore, it was studied seriously, it brings some advantages and we are all anxious to hear the Minister of National Health and Welfare (Mr. MacEachen) make his statement about the old age pension.

Let us therefore pass that bill as soon as possible; we will then have the opportunity in the months to come, if we are not happy with the minister's statement, to criticize him. As a matter of fact, I undertake to do it. If we are not happy with the implications and repercussions of that bill, we can amend it. But we will know only after it has been put to the test.

Therefore, since the minister has given us his word, which I take as his word of honour, that he would make a statement as soon as the bill is passed, and in view of the fact that this bill was studied by the ten provincial governments and that we are all anxious to hear the minister's statement on the old age pension, I humbly submit to the house that we should co-operate to speed up the passing of this bill, and I promise to do my share right now by cutting my remarks to a minimum, Mr. Chairman.

[*English*]

Mr. Knowles: Mr. Chairman, there is nothing to prevent the minister rising right now and making this statement. It would serve the additional purpose of putting this legislation in the current context. I am sure he realizes the context has changed and that it would be a good idea to have that statement now.

As my hon. friend from Trois-Rivières says, some of us have been discussing pensions for the past week, but may I also tell him that some of us and our predecessors have been discussing the question of pensions in this house for 45 years. With a Liberal government on that side of the house most of that time this had to take place in order to get any action on the pension question.

Mr. Mongrain: Mr. Chairman, would the hon. member permit a question? He mentioned that they have been discussing pensions for 45 years. Would he admit that in the last 45 years a good deal has been gained in the way of pensions?

Mr. Knowles: Not only do we admit it, we assert it. May I ask the minister a question or two with regard to another aspect of clause 5? When he gets to his feet to answer he can answer on the other matter if he feels so inclined. I should like him to look at subclause 5 on page 7 of the bill where reference is made to health care services not excluded because a needs test is not given. I confess I am a little confused about the language. When I read that marginal note it sounds as though it applies for all time—"health care services not excluded because test not given." However, when I read the language of the

subclause I wonder how long that holds. Can the minister give us an explanation of the last part of this clause?

Mr. MacEachen: Mr. Chairman, subclause 5 is a transitional provision under which the provinces may submit claims for the costs of health care services provided to recipients by way of cash benefits provided the need of these recipients for health care has been established before March 31, 1967. If this requirement is met, any cost incurred back to April 1, 1960 would be shared. This covers recipients of old age assistance, blind and disabled persons allowances, and those persons covered by the old age security and old age assistance programs. I think the basic reason for this provision, or the basic explanation for it, is that some provinces have programs under which they provide health care to recipients of pensions or allowances on the basis of a means test and they now will require some time to shift the case load. This gives them that opportunity.

Mr. Knowles: So this is just a transitional provision. It is not a case of saying, for example, to old age security recipients that their health care services will not in the future be provided under this act unless they are needs-tested.

• (2:10 p.m.)

Mr. MacEachen: Mr. Chairman, I think the assurance the hon. gentleman wants is given under this clause.

Mr. Knowles: I do not know that is an assurance I want because, as I interpret what the minister has said, the right to obtain health care services under the Canada Assistance Plan without needs being tested expires in 1967 and thereafter in order to get health care services under this act a needs test is necessary.

Mr. MacEachen: This is a transitional provision to give the provinces an opportunity to shift from current programs under which a means test prevails and under which health care may be provided. There are some programs of that kind. We are giving the provinces the opportunity for a full year to move under the Canada Assistance Plan and we will still pay back their claims for a full year. Beyond that date, in the absence of medicare insurance the people who require health services will receive it under this program.

Mr. Knowles: Then after this transitional period, and I am assuming that medicare will also come into effect, do I understand it correctly that persons in provinces participating in medical care programs will not receive health care services under the Canada Assistance Plan because they will get them under the health care program?

Mr. MacEachen: That is right.

Mr. Knowles: However, persons in provinces which do not participate in the health care program will have their health care costs covered under the Canada Assistance Plan only if they meet the needs test?

Mr. MacEachen: That is right.

Mr. Knowles: I am glad this is going to be covered but I wish that even in that case the needs test was not going to be applied.

Mr. Douglas: I should like to ask a follow-up question. What will happen in the provinces where either the provincial government or the municipality pays the premium for both medicare and hospital insurance on behalf of needy persons? Will they be able to collect any part of that payment from the federal government under the Canada Assistance Plan?

Mr. MacEachen: No, they will not be able to claim in that regard.

Mr. Douglas: May I ask the minister to explain the basis of the distinction? If a province does not have a medicare program and provides medicare for needy persons it will be able to charge half the cost, but if it pays the premium on behalf of needy persons why should it not be able to collect half of that cost?

Mr. MacEachen: Mr. Chairman, as I understand it, under the Canada Assistance Plan the federal government will share 50 per cent of the actual claims submitted by a provincial government in respect of any person in receipt of medical care coverage under the plan. We will do that on the basis of the actual claim, but it seems to me if we also engaged in paying the premiums for plans provinces may employ to support these individuals we would be sharing on a double basis.

Mr. Douglas: The medical care plan will at the very earliest come into effect on July 1, but from April 1 of this year the Canada Assistance Plan will be in operation. In those provinces which do not have a medicare

program the federal government will be sharing in the costs of medical services to needy persons if the provincial government or municipality is supplying that service.

In provinces like Saskatchewan which has a medicare program the provincial government pays the premiums in some classifications such as old age assistance recipients, old age security pensioners, individuals receiving mothers' allowances, blind persons and physically handicapped persons. In the case of unemployable persons under social aid the municipality pays the premium. For this year, until the federal government is participating in a medicare plan, is there any reason why a province such as Saskatchewan should not be able to recover part of the cost of the premiums paid on behalf of needy persons?

Mr. MacEachen: Under the Canada Assistance Plan we will pay half the costs incurred by persons in Saskatchewan in respect of those persons for whom claims are submitted.

Mr. Lachance: I have a supplementary question to that asked by the hon. member for Three Rivers. Will the minister tell the committee whether or not this will be the case in provinces which adopt the plan either before or after the commencement of operations of the plan before us?

Mr. MacEachen: Mr. Chairman, the provisions of the Canada Assistance Plan are subject, under clause 19, to the Established Programs (Interim Arrangements) Act. For this reason we have included the explanatory note which reads:

> The purpose of this clause is to permit a province that has entered into a supplementary agreement under the Established Programs (Interim Arrangements) Act wholly to administer and finance its program of assistance and welfare services operated in accordance with the provisions of the Canada Assistance Plan.

Clause agreed to.

On clause 6—*Provisions to be included in agreements.*

Mr. Barnett: Mr. Chairman, I have one or two questions I should like to ask the minister on clause 6 with specific reference to subclauses 1(a) and (c). Reference is made in (c) to:

> —any home for special care or any provincially approved agency that is listed in a schedule to an agreement—

There is a cross-reference as I understand it in subclause 1(a) to interpretation subclause (d) which describes a home for special care. It states:

> —"home for special care" means a residential welfare institution that is of a kind prescribed for the purpose of this act as a home for special care . . . . but does not include—

[*Translation*]

Mr. Mongrain: Mr. Chairman, I am sorry for intervening. Could not the house be asked to adjourn the debate for half an hour so as to allow the hon. member for Winnipeg North Centre (Mr. Knowles) to have a good lunch?

[*English*]

Mr. Barnett: Mr. Chairman, in reference to the point of order and while the hon. member is having his lunch, may I ask a question in respect of clause 6?

Mr. Tardif: This is all part of the filibuster anyway.

Mr. Barnett: Mr. Chairman, I seriously object to that kind of interjection from the opposite side.

An hon. Member: You may object but it is the truth.

• (2:20 p.m.)

Mr. Barnett: I hope the usually congenial member who made the interjection will not provoke me into indulging in the kind of thing of which he has accused me. I consider this to be an important piece of legislation for many people in this country, even if the hon. member does not think so. I believe it is important, not only to those of us in the house but to those who may be following the discussion of this plan in *Hansard,* to understand what it is all about.

The thing that concerns me in connection with the subclauses to which I have referred—I hope the minister has not lost track of the references because of the questions of privilege that have been raised—is just where we stand in respect of this question of the difference between a home for special care and a hospital. In the minds at least of a great many people to whom I talk there is difficulty in this regard. One gets into the area of semantics in deciding what is a hospital, what is a nursing home and what is a home for special care.

I know that certainly in the minds of a great many people in British Columbia there has been a good deal of confusion. I should like to have from the minister a clear picture

of where the application of this bill lies and where the application of the Hospital Insurance and Diagnostic Services Act lies. With regard to the question of homes for special care as distinct from hospitals, I should like to know whether in point of fact there is in effect complete coverage in the two acts in respect of assistance in regard to the expenses of people who require special care, whether it be in a chronic care hospital or a home for special care.

We have in British Columbia, for example, the two types of institutions. There was a good deal of discussion during the last session of the legislature in my province as to the distinction between non-profit hospitals and private hospitals. The discussion concerned the question of providing care for people in these institutions. Usually they are aged and unable to look after themselves.

Many of these services are not covered under the British Columbia hospital insurance scheme and the cost falls directly on the individuals concerned except in so far as they are in receipt of social welfare. Could the minister make it clear whether it is possible for a province, either under this bill or the hospital insurance act, to provide hospital services, whether one calls them hospitals or talks about homes for special care? I have been told—I am not sure whether I am correctly informed and perhaps the minister could also clarify this point when he is replying—that certain types of institutions in the province of Ontario are covered by the hospital insurance plan but similar institutions are not covered by the British Columbia plan and that the federal legislation will allow them to be covered. I should like to know whether this is so and whether in the minister's view these two acts will provide complete coverage.

Mr. MacEachen: Mr. Chairman, with regard to the first point, namely, the possible variation of institutions that may be covered from one province to another, this is a decision that must be made by the provincial government which decides whether institutions are regarded as hospitals under the hospital insurance act for which it wishes to make a submission under that act to the federal government. As I understand it, these institutions are listed and are well defined under the hospital insurance act as hospitals. We, of course, would not share in any services provided by the institutions in regard to which cost sharing already takes place under the hospital insurance act. We are ready, of course, to share in the cost of services provided in homes for special care. These homes will be listed in the regulations or schedules referred to, but they must be in all cases institutions and agencies approved by provincial governments.

To give the hon. member an idea of what is covered by the expression "homes for special care" I would refer to the Unemployment Assistance Act where in one section homes for special care are defined as including nursing homes, hostels for indigent transients, homes for the aged, poorhouses, almshouses and hostel facilities. We prefer to use the expression "homes for special care" without further definition. But in general, provided provincial acceptance is accorded, institutions would either be listed as hospitals and the costs shared under the hospital insurance plan or they would be listed in these schedules and the costs shared under the Canada Assistance Plan. There could be a larger area of applicability, but that would be a matter for determination by the provincial government.

Mr. Barnett: Mr. Chairman, there is another aspect of this matter which I should like to have clarified. I should like to know what, if anything, will be done or will be required to be done under this bill in respect of reaching an agreement that is acceptable to the federal government to deal with the kind of situation where a person who might have an income or resources which would enable him to be self-sufficient would be freed of any requirement to exhaust his resources if he went into what the province of British Columbia at least has termed a private hospital, where care costs $300 or $400 and upwards per month. I should like to know what the situation will be if they are limited to a very small expense allowance of the order of, say, $10 a month.

Will the agreement require that the province, if the institution is not specified as a private hospital or is dealt with in such a way that it comes under the hospital insurance act, provide this kind of special care under an arrangement which does not involve an individual falling completely under welfare jurisdiction, and will there be any restriction in regard to the rights of the individual to his own resources? As it stands now, in British Columbia it is either totally one thing or totally another. In other words, an individual has to be completely dependent upon welfare assistance or individual assistance from his family or has to be completely

independent of any payments. What impact will the terms of an agreement made under this legislation have on this situation?

• (2:30 p.m.)

Mr. MacEachen: As I understand it, Mr. Chairman, in our agreements we will not insist upon the total liquidation of resources by any individual in order to be eligible for assistance. It is the practice in some cases in the application of the needs test to exclude home ownership. It is the practice also in some cases to permit the individual to hold in liquid form certain assets, say $1,000 or something of that kind. We do not preclude this situation in the bill and I do not think our regulations would preclude it.

Mr. Barnett: I have one other question. I understood the minister to say he would not preclude the possibility of an individual retaining some liquid resources. The point I want to get clearly in my mind is whether this legislation would preclude a province from entering into any agreement under which individuals would not be allowed to retain any liquid resources. Under such circumstances will the federal government agree to participate financially in a province with respect to special care homes?

Mr. MacEachen: We will not impose a regime on a province and to that extent the bill is silent or neutral. We will certainly make it possible in the agreement with the province that the approach can be taken, for example, that home ownership can be left out and a certain amount of liquid assets can be left out. In our consultations with the provinces we would point out that this practice is a good one and ought to be considered by the province. However, we cannot impose it upon any province.

Mr. Alkenbrack: I have a question, Mr. Chairman, similar to the one raised by the hon. member for Comox-Alberni. I am sure the minister must know that many invalid and disabled people are being cared for in their own homes. I think of one example. One of my constituents who has worked steadily all his life came down some time ago with cancer of the lung, necessitating very serious surgery. He is now home, an invalid, but is precluded from drawing any disability pension by reason of the fact that his faithful wife is employed at a modest salary. The salary is sufficient to make this man ineligible for assistance. We have tried to get assistance for him to no avail.

[Mr. Barnett.]

I think the minister and his department have an opportunity to see that people in this category are looked after. I note that clause 6 of the bill refers to homes for special care. Would not a private home in which a disabled person was cared for by his family under adverse financial circumstances qualify as a home for special care just as any nursing home, rest home or hospital? I want to impress upon the minister the importance of this seemingly insignificant example because I know there must be thousands of people across Canada who are in that predicament. I feel we have an opportunity now under the Canada Assistance Plan to alleviate the hardships to which they are subjected.

Mr. MacEachen: In reply to the question raised, Mr. Chairman, may I say that one of the new features embodied in the Canada Assistance Plan is the provision of homemaker service. A provincial government can provide homemaker service directly or purchase it from a voluntary agency. If the agency is approved by the province, we will contribute 50 per cent of the cost of providing homemaker service, which would be available to the individual in question if the cost of that service were such as to bring him within the scope of the bill, namely, that he is in need and requires assistance. This is another feature of the plan which meets the problem of looking after people in their own homes, which we ought to try to do if possible, I think, because it is more economical and at the same time brings more satisfaction to the individual.

Mr. Alkenbrack: I thank the minister for his remarks and his explanation. Will the minister assure me and the house that in dealing with the provincial authorities across the country he will say to them, these are the people we want to help? Can we be assured of that?

Mr. MacEachen: Yes, indeed, Mr. Chairman.

Mr. Prittie: I should like to ask a question supplementary to the one asked by the hon. member for Prince Edward-Lennox. In the case the hon. member cited the wife was working. If she gave up her employment could she receive some financial assistance for staying at home and looking after her invalid husband? It is income that is lacking in this situation. Would the provisions of this bill permit her to receive income if she left the employment she has now?

Mr. MacEachen: The Canada Assistance Plan does not propose that payments will be made for services except in so far as those services are provided to a person in need through a provincial welfare department or through a provincially approved agency. While I appreciate the point made by the hon. member, I think he should appreciate the difficulty and the potential abuse with two individuals living in a particular residence and one of them being eligible for salary with respect to the other. The homemaker service will be available to look after people through either of the two avenues mentioned. If both of these persons were in need under the terms of the bill, then they would be eligible. I do not think we anticipate that a person should stop working to look after an individual and be paid for that service unless there were some supervision through a welfare or voluntary agency or a provincial welfare department.

• (2:40 p.m.)

Mr. Rynard: I should like to ask a supplementary question. As I understand the Canada Assistance Act, the man would qualify for a disability pension in this particular case. The second question is: Would that money be included with his wife's income for taxation purposes?

Mr. MacEachen: Mr. Chairman, my answer to that question would be no. I cannot possibly see how payments made to a person in need could be regarded as income of a spouse. I would think that if both individuals in the household were applying for assistance, the total needs, and also the total income, would be taken into account to determine the amount of assistance to be made available. But, as I say, I cannot see how public assistance payments made to one spouse could be taxable with respect to the income of the other.

Mr. Rynard: I think the minister had better look into this because it is a very important point. With war veterans allowance, for instance, any earnings of the wife are immediately deducted from the husband's income in arriving at their taxable income.

Mr. MacEachen: I would be glad to check into that.

Mr. Douglas: I wonder whether I might ask the minister to clarify one point. Subclause (f) of clause 6 provides for an audit by the minister or by someone designated by him of the records and accounts respecting the provision of assistance and welfare services and leaves it to either the agreement or the regulations to set out the terms and conditions of such audit.

Am I correct in assuming that this audit is purely for the purpose of ascertaining that the amounts claimed by the province have indeed been spent on welfare assistance or services? Do I take it that there will be nothing in the regulations which will attempt to set ceilings or define in arithmetical terms any maximum which may be paid? In other words, I take it that the question of defining need will be left exclusively to those officials of the provincial governments who are responsible for welfare in that jurisdiction. I have in mind, for example, the old age assistance plan which at the present time is a shared program between the federal and provincial government under which payments are made from age 65 to 69 now and formerly up to age 70. I take it that any provincial government that wants to do so under the Canada Assistance Plan will be entitled to raise the pension of the old age assistance group to any amount it thinks necessary and that it will be able to collect 50 per cent from the federal government under this legislation. I take it there will be nothing in the audit which would set any maximum as to what the provinces could pay, and with regard to their collecting 50 per cent of that payment from the federal government?

Mr. MacEachen: Mr. Chairman, the answer to the first question is that the purpose is solely to maintain interest along the lines mentioned, as has been the past practice. There would be no effort made to set ceilings. A provincial government can provide additional amounts to recipients of old age assistance either by transferring their case load from old age assistance to the general case load under the Canada Assistance Plan or, indeed, by providing direct supplementation under the concurrent program.

Mr. Douglas: To whatever figure the provincial government feels it is prepared to share?

Mr. MacEachen: That is right.

Clause agreed to.

Clause 7 agreed to.

On clause 8—*Duration of agreements.*

Mr. Knowles: Mr. Chairman, I wonder whether the minister would make a comment or two on clause 8, which deals with the time

during which agreements made between Canada and the provinces remain in effect. I realize that there is a constitutional problem involved when we discuss agreements between the federal government and a province. There is the whole problem of the sovereignty of parliament and the legislatures. At the same time, I am concerned over what seems to me to be a rather short period of permanence.

Let me agree with the minister that we are passing pretty good legislation. Yet the length of an agreement might be for a total of only four years. As I read this clause, any time after March 31, 1969 notice can be given by the federal government to terminate an agreement. It could be given by a province as well, but I am looking at the question from the point of view of the federal government. It takes only one year for such notice to come into effect. It seems to give a guarantee to these agreements of a period of only four years. What comment has the minister to make on this point?

Mr. MacEachen: Clause 8 sets out the term of the agreement and according to subclause (1) the agreements are to continue in force so long as the provincial law remains in operation. That means that if the law of a province providing welfare assistance lapses or ceases to be in force, the agreement ends.

Subclause (2) establishes the conditions for amending or terminating agreements. Under paragraph (a) an agreement may be amended or terminated at any time, with the approval of the Governor in Council, by mutual consent of the minister and the province. That seems to me to be reasonable.

An exception to this is made in paragraph (b), which says that any schedule to an agreement may be amended at any time by mutual consent of the minister and the province. Paragraph (c) permits a province to give notice of intention to terminate an agreement at any time, with the notice taking effect not less than one year after the date on which it is given. If a province wishes to end an agreement and gives one year's notice, it seems to me it is reasonable that it should have the opportunity to end the agreement.

Mr. Knowles: Let us go on to (d) and assume that a province does not want to end the agreement. It was (d) that I asked about in the first place.

Mr. MacEachen: We have made the term a period of four years. Is that not right?

Mr. Knowles: Yes.

[Mr. Knowles.]

Mr. MacEachen: Three years, with one year's notice. So we are giving the assurance that an agreement with a province will not be terminated before four years have elapsed. Paragraph (d) says:

> Canada may, at any time on or after the 31st day of March, 1969, give to the province notice of intention to terminate an agreement;—

Thus the agreements will presumably be in effect from April 1, 1966, and no notice may be given by the federal government before 1969, which is three years, and then there will be another year's notice. That shows to a province a pretty solid expectation that there is some stability in the arrangement.

• (2:50 p.m.)

Mr. Knowles: Mr. Chairman, perhaps I did not make my point to the minister as clear as I thought I had. We are agreed as to the facts, namely, that there is a certainty of four year. My suggestion was that if this legislation is as good as the minister says it is, and I agree with him as far as it goes, that this is not a long enough period for this sort of program really to get into full effect or for its benefits to be fully felt.

Mr. MacEachen: The assurance is given to the province, and when I say that I mean to any province, that the program will have a life of at least four years. This matter was discussed with the provinces and they took no objection to this period. If my hon. friend is afraid that at the end of four years the program may be terminated by the federal government, I would regard that contingency as highly unlikely unless good, alternative arrangements had been made with the provinces. I appreciate that in a period of four years the full potential effects of the program may not be visible or obvious. So far as I am concerned though, this arrangement seems to be reasonable.

Mr. Douglas: Mr. Chairman, I do not want to belabour the point but there is another factor that the minister has not mentioned. Not only will there be difficulty about the full effects of the program being apparent in four years, but I think the assurance of some degree of permanence is essential if the provinces are to come into this program in a wholehearted way.

Let us assume that a province wants to advance its welfare programs very significantly and that it does so with the assurance under this legislation that the federal government will pick up 50 per cent of the tab. If at

the end of four years the Governor in Council can terminate the agreement into which the province and the federal government have entered, what will be the result? The result will be, I suggest, that the province will be left with the welfare programs to which it has committed itself with the additional responsibility of having to carry the entire financial load. I would think that if the provinces felt there was any danger that at the end of four years the whole responsibility with respect to programs which they would build up in this period would be landed in their laps, they would approach welfare programs with much more caution than if they could be assured that the plan was likely to be a continuing one.

If, as the minister says, the provinces have expressed no concern about this, then we shall have to accept the position of the provinces. I think the minister is aware that provincial governments are always reluctant to commit themselves to expenditures in conjunction with the federal government if they feel that at some time or other they may be left holding the bag.

We have had some experience of this. Some years ago we started a physical fitness program. The federal government suddenly decided to withdraw from it. The provinces had one of two alternatives, either drop the physical fitness program entirely or pick up that share of the cost which the federal government had dropped. The program I have referred to was not a very big one, and therefore it had nothing like the significance of the program about which we are now talking. Nevertheless, the fact must be considered that by the end of four years the federal government's contribution under this program will be very considerable. If the provinces felt that they were at all likely to be left with the entire burden of implementing the program outlined here, I think they would be very reluctant to expend moneys on the program at the rate that we all hope they will be expended.

Mr. MacEachen: I can only repeat, Mr. Chairman, two considerations for the benefit of the hon. member for Burnaby-Coquitlam. First, the provinces raised no objection to the particular item he referred to. In that connection may I mention that under the Unemployment Assistance Act at present the federal government can end an agreement by giving one year's notice. That program involves more than half a million people and more than $100 million a year. Presumably the four-year term is much more favourable to the provinces than the term now available under the Unemployment Assistance Act. Presumably the provinces will be shifting their emphasis from the Unemployment Assistance Act to the Canada Assistance Plan.

Second the only real assurance of permanence in this program is that in any event the government is unlikely to take action to place a province in a more unfavourable position than it would have with respect to the Unemployment Assistance Act. What the hon. member fears will take place in this field is certainly, very remote, although I appreciate that strictly speaking the guarantee in law does not go beyond the four year period.

Clause agreed to.

On clause 9—*Regulations.*

Mr. Knowles: Mr. Chairman, when we were on an earlier clause we were able to discuss some of the aspects of clause 9 because there was a cross-reference. I will not repeat any of that discussion. There are, however, two questions I should like to put to the minister about the making of regulations under this part of the legislation. My first question arises out of the well known fact—at least, it has been well known to members of parliament for many years—that in shared programs there is a fair amount of buck passing as to who is responsible for regulations.

Let us take the Old Age Assistance Act, or the Disabled Persons Act. When, in dealing with people, we run up against the regulations and complain to the provincial authorities about them the answer is:"These regulations were passed at Ottawa." when we draw this matter to the attention of the federal government in Ottawa, the federal government replies that the provinces agreed to the passing of the regulations in question. I cite what has gone on in the past merely as a basis for asking my question now.

On what basis are these regulations to be passed? Are they to be passed initially on the basis of agreements between the government and the provinces or is the wording of this clause, as is, to be followed, namely, that the federal cabinet will make the regulations? That is the first question.

My second question has to do with subclause (2). It is stated there that no regulation that has the effect of altering an agreement

shall be effective without the consent of the province that is affected. May I ask if that subclause applies only to the altering of a regulation or does it apply to the making of a regulation in the first instance?

Mr. MacEachen: Mr. Chairman, I appreciate the point of view expressed by the hon. member. We have all met the problem he has referred to in replying to people who write to us about welfare cases and old age assistance. There is a tendency to pass the buck. I do not think that the passing of this bill will eliminate that tendency from human nature or even from governments.

Let me say what we intend to do, if and when parliament approves this bill, with respect to drawing up the regulations. We intend to have officials of the department go across the country and consult with the provincial governments with respect to draft regulations and to reconsider the matter following that consultation.

• (3:00 p.m.)

Ultimately of course the governor in council will have to pass the regulations and take responsibility. Subclause (2) places a limit on the effect which amendments by regulation may have. It provides that by regulation the governor in council shall not be in a position to alter an agreement with a province without the consent of the province. If I am not mistaken, it has been possible for a governor in council to change agreements by regulation without reference to the province. This says that no change in regulation can alter such an agreement without the consent of the provinces. This limitation is necessary because of the contractual nature of cost-sharing agreements. This provides greater flexibility in the administration of the act than has been possible under the categorical assistance acts in which the comparable clause reads:

> No regulation by reference to which an agreement with a province has been made shall be altered except with the consent of the province and in accordance with the regulations to which it had agreed.

Mr. Knowles: As I see it, the legal position is clear. Once an agreement is in effect the provincial authority is in a position to require that it give its consent before a change is made. As I say, it is clear that a province has the right to require that its consent be given to a change. But in the first instance, even though he admits the government may still pass the buck, the minister has told us that the ultimate responsibility for passing the regulations has to be taken by the federal government. This includes, in this legislation, the definition of the factors which go into the needs test. So it is clear that the operation of this legislation will depend very largely on the needs test, and that it is the federal government which will finally define the needs test. Is that right?

Mr. MacEachen: The federal government will be obligated to make regulations with respect to defining such expressions as personal requirements and budgetary requirements, which are part of the concept of the needs test.

Mr. Diefenbaker: What does "budgetary requirements" mean?

Mr. MacEachen: There is a category of items known as basic requirements—food, clothing, shelter, fuel, utilities, household supplies and so on. Then there is the other range of services including health care, provision for travel where necessary—a whole range of services which go into a budget. It is expected that under the plan a budget can be developed which will meet the normal requirements of individuals.

Mr. Douglas: Will those requirements be set down by the federal government in the regulations?

Mr. MacEachen: Yes, they are set down in the law.

Mr. Douglas: I understood from the minister earlier, when I asked him about the audit, that the concept of need would lie entirely with the province.

Mr. MacEachen: The determination of the amount will be up to the provincial government. As I mentioned the other day, there will have to be a degree of flexibility in the federal regulations which will make it possible for provincial governments to administer their own programs according to the needs of their people and their areas. There may be requirements in one area which do not exist in another. So there will be a range of personal requirements and further optional requirements the cost of which will be shared by the federal government. Then the province must select from the available range those services or items which it thinks are necessary for the adequate support of its own citizens.

Costs are bound to vary from one part of Canada to another. Rent, for instance, is bound to vary from region to region. We

would not put in dollars the amount of rent we would support.

Mr. Douglas: Is it the minister's idea that the regulations will set a range within which the provincial governments might make provision, let us say, for food and clothing, and that the provinces must operate within that range? In other words, would there be a ceiling on how much would be paid in any particular case?

Mr. MacEachen: I am afraid I am not making myself clear. We shall require, as part of an agreement, that the province shall provide adequately for the basic requirements of individuals—food, clothing, shelter, fuel, utilities, household supplies and personal requirements. But the dollar value which is placed on these items either individually or in total is up to the province. We shall share any amount. Then, of course there is the other range of services in whose costs we shall share—items incidental to carrying on a trade, care in a home for special care, travel and transportation, health care services and so on.

Mr. Knowles: I think it should be clear that even though there is to be consultation, the ultimate responsibility for writing these regulations which will define the key elements of this legislation will belong to the federal government. The minister has admitted that the government will define "budgetary requirement" and so on. It will also define, under clause 9, anything which "by section 2 or this part is to be prescribed or defined by regulation".

I admit this has to be done. I admit that ultimate responsibility has to rest somewhere. I just hope there will not be the buck-passing with respect to this legislation that we have seen with respect to other measures of a similar kind. The minister has said that these definitions will ultimately be made by the federal government. He has said that while they are definitions, they are not dollar values. This applies to the elements of the needs test.

Mr. MacEachen: I do not take exception to that. We have to make regulations. But if they are not satisfactory to the provinces, they will not sign agreements with us.

Mr. Ricard: Are we likely to have as many agreements with the provinces under this legislation as there are provinces? In other words, would one set of regulations apply to one province, but not to the others?

• (3:10 p.m.)

Mr. MacEachen: They will be the same basic regulations. They will have to be the same set for all of Canada, and they will have to be within the framework of the bill.

Mr. Diefenbaker: I can understand that the federal authority will have to set forth the basic classifications, but does this means that each province will define for itself which of these classfications it will assist, and to what extent each individual province will determine the share—if I might use that expression—in the various categories?

Mr. MacEachen: As a condition of an agreement, they must include willingness to meet the basic requirements of the individual. With respect to additional items, to take one example, say, health care services, a province may decide that it will provide those services to individuals in need. The province makes the decision and the federal government shares. There is that range of choice on items like travel and transportation, funerals and burials, and health care services, but the province undertakes to meet the basic requirements.

Mr. Diefenbaker: That clarifies the matter to some extent, but in the determination of the food item does that food item bear a proportionate share to the total amount, the basic amount in each province, or can it vary from province to province?

Mr. MacEachen: It can certainly vary.

Mr. Diefenbaker: So, there is no determination made as to the proportion each of these items shall bear to the whole?

Mr. MacEachen: No.

Clause agreed to.

On clause 10—*Indian Welfare; définitions.*

Mr. Barnett: This and the following clauses come under Part II of the bill dealing with Indian welfare. I would draw attention to paragraph (b) where it says:

> "Indian to whom this part applies" . . . means an Indian
>
> (i) who is resident on a reserve in the province—

That is readily understandable; but I cannot get clear the meaning of subparagraph (ii) where it says:

> —who is resident on land in the province the legal title to which is vested in Her Majesty or on land in any territory in the province that is without municipal organization—

Does legal title of land vested in Her Majesty mean Her Majesty in right of Canada or Her Majesty in right of a province?

Mr. MacEachen: In this particular case it would be Her Majesty in right of a province.

Mr. Barnett: Then what is the significance of the phrase "on land in any territory in the province that is without municipal organization"?

Mr. MacEachen: This is intended to cover Indians who are living on crown land or on land without municipal organization. It covers groups of Indians who may have moved away from reserves, in areas such as Northern Ontario, and who have not yet established any effective link with a non-Indian community.

Mr. Barnett: What is the difference between the situation of those who have moved off a reserve into non-organized territory and those who have moved into municipally organized territory?

Mr. MacEachen: If Indians move into a municipality and live there, they become integrated within the population, and they receive welfare assistance on the terms applicable to every other resident. The whole purpose of part II of the bill is to provide a basis, through agreements, by which the federal government will participate in bringing normal welfare services to the Indian population. In other words this paragraph which defines "Indians" indicates a group for whom higher rates of contribution will be available under the Canada Assistance Plan.

Mr. Rynard: Where the federal government presently has a doctor appointed to look after Indians on a reserve, will this situation continue?

Mr. MacEachen: Any services provided by the federal government will be continued.

Mr. Rynard: On a reserve?

Mr. MacEachen: Yes, until an agreement is reached with the province for it to provide the same services as are provided to other citizens, and only with the consent of the Indian band. Once agreements are effective with the provinces, the federal contribution will be adjusted to take account of whatever additional burdens the provinces may meet in providing services to the Indian population.

Mr. Nasserden: In that regard what did the minister mean when he said, "with the consent of the Indian band"?

Mr. MacEachen: I mean that the Indian band must agree. We had already signed an agreement with the province of Ontario, and at one point there was some misunderstanding with the Indian bands as to whether they had been consulted or had agreed. The matter was then held in abeyance and full consultation was entered into. Now the Indian bands have agreed, and we would want to follow that practice in every other province.

Mr. Douglas: Do I take it that if the federal government enters into agreements with the provinces to provide welfare services to Indians on reserves, it will be on a different sharing basis than the fifty-fifty basis which obtains generally throughout this legislation?

• (3:20 p.m.)

In view of the fact that the federal government now has sole responsibility for the Indians, if the provinces then take this over, I assume the federal government will be meeting the major part of the cost. Has the minister worked out any division of cost in an instance of that kind?

Mr. MacEachen: The transferring of administrative responsibility for the provision of welfare services has been discussed at various meetings with the provinces. A draft agreement which would give effect to what you have in mind has been discussed with all the provinces. This agreement was tabled in the House of Commons on January 19, 1966. Under the cost sharing formula set out in the draft agreement the provincial and federal governments would share the cost of assisting Indians under part II on a matching basis up to the per capita level of cost incurred for assisting the non-Indian population in the province. The federal government would assume the full responsibility for any cost of assisting Indians in excess of this per capita cost.

Under present circumstances this would have the result of making the federal contribution vary from approximately 85 per cent to 97 per cent of the cost, depending upon the level of dependency of Indians in each province. So the percentage of assistance will be very high. Presumably, as the effects of the Canada Assistance Plan are felt and dependency levels are reduced, our contribution in respect of Indians would be the same as for other members of the population, which

would really reflect the full integration of the Indian population with the rest of the population.

Mr. Douglas: Mr. Chairman, I am entirely in support of integrating the welfare services for Indians with the general welfare programs in the provinces. I think this will remove unnecessary duplication and also will make for some uniformity, and will aid integration as people move off the reserves into other communities of the provinces. I am not clear, however, with regard to the minister's statement. I thought I understood him to say that up to the average that is being paid the federal and provincial governments will share the costs 50-50, and above that average the federal government will assume the full cost. Why would the provinces assume 50 per cent of the basic costs for a group of people who are the sole responsibility of the federal government at the present time?

Mr. MacEachen: Well, the provinces presumably, like the hon. member for Burnaby-Coquitlam, wish to see the Indians integrated, and the Indian population is a population resident within the boundaries of the province. That is the basic reason that Ontario, which already has taken this action, and others who have shown complete interest, would be willing to take the per capita level of cost applicable to the general population and match it with the federal government for the Indian population. Anything above that would be paid fully by the federal government, bringing it up to 87 or 97 per cent of the total cost which, it seems to me, indicates the high levels of dependency which exist among the Indian population.

Mr. Douglas: I do not wish to drag this out, because I think the minister ought to go and get something to eat or have a cup of coffee, since he has been engaged in this discussion for quite some time, but I do not understand the relationship between the 50-50 sharing and the minister saying that the federal government will be bearing 87 to 97 per cent of the total cost. Does he mean that the amount paid above the average paid in respect of the general population could bring the federal government's contribution up to 87 or 97 per cent?

Mr. MacEachen: Yes; that is what I was trying to point out. It shows really the high cost of providing the services to the Indian population, in comparison to the cost in respect of the average citizen. It reveals something about conditions.

Mr. Rynard: Mr. Chairman, I should just like to ask the minister whether he can tell us how many Indian bands in the province of Ontario have signed an agreement to go along with the province. I am wondering what roughly is the proportion; is it half or three-quarters? I do not want the exact number.

Mr. MacEachen: Mr. Chairman, I must admit that I do not have the detailed information. I will obtain it and give it to my hon. friend later.

Mr. Pugh: Mr. Chairman, I should like to relate back to the questions asked by the hon. member for Burnaby-Coquitlam. This has to do more or less with the definition of an Indian. In subclause (b) (iii) of clause 10 it says it does not include an Indian who is designated in or under an agreement, and so on. What kind of an Indian is that and why is there the exclusion?

Mr. MacEachen: The purpose of this paragraph is to provide for situations which we may not foresee at the moment, but which occur. This is a discretionary clause under which it would be possible to cover any possible situation which may be encountered. Among these will be situations where Indians live as squatters on the fringes of organized municipalities but who have not become part of the community in an economic or social sense. In general such a group does not own property or engage in regular employment, and therefore the communities in which they live are reluctant to make any contribution. This is an effort to meet that situation.

Mr. Pugh: Would they not be classified as residents, just on the broad definition of a resident, for instance in the province of British Columbia?

Mr. MacEachen: No. This is a special part to deal with Indians. Accordingly we have to cover the concept as fully as we can, because special sharing arrangements are anticipated for Indians. This is the reason some effort is made to make the definition as clear as possible in order to meet every conceivable situation.

Mr. Barnett: Mr. Chairman, I think I understood the explanation given by the minister in respect of the cost formula. If I understood him correctly, the fact that the federal contribution will be a very high proportion of the total is a reflection of the higher incidence of welfare situations in the

Indian population in comparison to the incidence in the non-Indian population within the provinces. Is that a correct understanding of what the minister was saying?

Mr. MacEachen: Yes; that is the conclusion I would draw from the result that would obtain from undertaking to pay the full cost of amounts in excess of the per capita provincial cost of providing services.

• (3:30 p.m.)

Mr. Barnett: Mr. Chairman, in this connection I am wondering whether the minister has a breakdown in respect of the incidence or ratio in the Indian population for each of the provinces. I am not necessarily asking the minister to give those figures to the committee now, but perhaps that information could be supplied.

Mr. MacEachen: We have that information available and if I cannot give it now I will certainly provide it later.

Mr. Barnett: Thank you, Mr. Chairman. I think the minister understands the point of my question. We should like to have the picture as it applies to each province.

Mr. Reid: Mr. Chairman, I should like to ask the minister a question regarding this part, dealing with Indian welfare. Is there any special provision made in this measure or in any agreement with the province of Ontario dealing with non-treaty Indians, those not on reserves and without Indian status who have very little contact with communities or province of Ontario welfare offices?

Mr. MacEachen: Yes, Mr. Chairman, there is provision for this particular category of Indian, and I refer to subclause (b) paragraph (iii). This provision would cover the cases to which the hon. member has referred. We are making an effort to meet the problems of Indians who are not integrated, in residence in a municipality, on crown lands or on a reserve.

Clause agreed to.

Clauses 11, 12 and 13 agreed to.

On clause 14—*Definitions; "work activity project".*

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I should like to question the minister about part III, clause 14 respecting work activity projects. Can the minister give us some idea of the scope and type of activities that are envisaged and the groups that will be included?

Mr. MacEachen: Mr. Chairman, part III, work activity projects, provides a basis for future contributions toward projects designed to provide work orientated activities for persons who are not able to take advantage of normal employment, vocational training or rehabilitation opportunities. This type of program has been requested by several provinces which feel that a new factor is required in their programs.

Under clause 14 (a) projects are defined in terms of the purposes for which they are to be set up. Their objective will be to prepare for entry or return to employment persons who, because of environmental, personal or family reasons, have unusual difficulty in obtaining or holding employment, or taking advantage of training or rehabilitation programs. Many of those involved will be persons who have a history of chronic dependency because of a variety of problems which, it is felt, can best be dealt with under a welfare system.

It should be emphasized that a significant distinction of a work activity project is that it is a social service relating to trade or work, so that a participant and his family will receive counsel and support in order that the family will be strengthened by assistance to the head of the family whose employability is a difficulty. In essence, the purpose of this project is to provide appropriate training and work activity for persons who can take advantage, and whose dependency may be decreased or whose employability may be enhanced. This is an experiment and involves new territory.

Mrs. MacInnis (Vancouver-Kingsway): I have in mind one or two specific categories. I have received a great many letters from women who are either unmarried, divorced or widowed who have reached their middle fifties. They are too young to qualify for old age assistance or old age security pensions, but too elderly to find employment readily and, in most cases, have not had the training required in order to qualify for jobs that are more plentiful today. They are too elderly in most cases to undertake the heavy work required of waitresses and others employed in heavy service occupations. Does the minister envisage projects of this kind, both in the nature of training and occupation? What sort of projects are envisaged for people of this type?

Mr. MacEachen: Some of the cases mentioned by the hon. member may involve special training or placement efforts, and this can be provided through other programs. The real purpose of this provision is to support work activity projects which will enable persons to enhance their employability. It applies not only to those persons but to projects which are designed for individuals such as the severely retarded, whose limited employment potential can be enhanced if they are given some form of meaningful activity.

It is envisaged that this type of activity for the severely retarded will be given under conditions of sheltered employment, so there is that aspect to the plan. An example of one kind of work project can be found in the re-establishment centres operated by the national assistance programs in Britain. In the main, the types of persons referred to these centres are those receiving assistance, who have been continuously unemployed for a long time—in some cases a year or more—and those who have in consequence lost the habit of work and have become unaccustomed to the ordinary daily routine which is the pattern of the life of a man or woman in regular employment.

In the United States a program similar to this envisaged under the work activity projects takes the form of community work training programs under the social security act, and work experience programs under the income opportunities act. In both cases the programs are operated on a federal-state basis and administered by the department of health, education and welfare. In the United States over $100 million is being expended this year for this kind of program. Canada is now moving into this field by the provisions in this part of the bill.

Mrs. MacInnis (Vancouver-Kingsway): Does the minister envisage a kind of program in which The Company of Young Canadians might take a large part?

Mr. MacEachen: At the moment I cannot foresee how The Company of Young Canadians could be involved. These are provincially initiated programs and it will be up to the provinces to decide whose assistance they wish.

Mrs. MacInnis (Vancouver-Kingsway): This program could be used to help elderly people who are unemployed and without skills to obtain necessary employment before retirement age?

Mr. MacEachen: Where there is a reasonable chance of increasing the employability of an individual, I think this program would have a role.

Mr. Nasserden: Mr. Chairman, in regard to those individuals referred to by the hon. member for Vancouver-Kingsway, both men and women. I should like to know whether this program will assist individuals to quit jobs and become retrained? I am thinking particularly of persons who obtained jobs in the labour market following the end of hostilities in the second world war, and who now wish to train for employment which will give them higher salaries.

• (3:40 p.m.)

Mr. MacEachen: This would be the kind of person we ought to assist. I think the best place to do so would be in our vocational training or vocational rehabilitation program, because I believe this clause is intended to cover a person whose work experience may not be as great as the example given.

Mr. Nasserden: I have been told by some people that it is very difficult to secure training under the vocational training program if you are employed.

Mr. MacEachen: Mr. Chairman, this brings us into another area of consideration, namely what programs are in existence for the training of the employed. There are various programs for employed persons that involve joint federal-provincial participation. Of course the training allowances that have been enacted by the parliament of Canada will make it even more possible for unemployed persons to gain good training, with very substantial assistance.

Mr. Nasserden: I appreciate what the minister has said, but the person I am thinking about at the moment is someone in a salary range that does not give him what today is considered a decent standard of living, who is employed and would like to secure further training. Will this or any other plan of the government enable such a man to take training and receive assistance while taking it?

Mr. MacEachen: This part is not intended to cover the person the hon. member has in mind.

Clause 14 agreed to.

Clauses 15 to 26 inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read a third time?

Some hon. Members: By leave, now.

The Acting Speaker (Mr. Rinfret): By leave, now?

Some hon. Members: Agreed.

Mr. MacEachen moved the third reading of the bill.

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

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not want to hold up this matter in any way; I know how anxious the minister is to make a statement regarding the government's plans and proposals in connection with the old people of this country. We are now on third reading of the bill dealing with the Canada Assistance Plan. The opportunity is now available to the minister to make the statement which has been promised over and over again, and as often postponed.

We look forward, now that discussion on the Canada Assistance Plan bill is drawing to a close, to the minister's producing his blueprint so long promised, in connection with the wider field of rights and privileges for the older people of this country. In fact, it was promised as far back as the election campaign, and as long delayed. I am sure the minister this afternoon will have every opportunity to make his statement, and I would suggest to him that he should not again postpone it.

Indeed, Mr. Speaker, I asked certain questions today based upon information that was not without foundation. I said that discussions had taken place among members of the administration; and out of those discussions had evolved a plan whereby assistance would be provided to the old people of this country whose income is less than $1,260 a year, the difference to be made up by the state and to be financed by a capital gains tax. My information is that this is the basis upon which agreement was secured among hon. gentlemen opposite.

I know that Canadians as a whole will not want to see this question delayed any further.

There is no reason why the older people in need in this country should have to wait until Monday. What a wonderful opportunity the minister now has to stand in his place, at the conclusion of discussion on this bill, open up this box of secrecy and let the people of Canada know what is going to take place. Why leave these older Canadians in a state of suspended animation, hoping for the best and fearing the worst?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party may I say at this point that, as we said at earlier stages with respect to this legislation, we welcome this bill and are glad to vote for it. As we made clear at the earlier stages of debate, we see in this legislation provisions that improve the administration of social welfare in Canada. We have spelled that out in some detail, so that it is not necessary to do so on third reading.

However, it is still our view that it was a bitter disappointment that when this legislation was brought in it failed to meet the hopes which the minister and other members of the government had held out to our older people for over a year, indeed for 14 months. We have been told for a long time that the Canada Assistance Plan was legislation under which, amongst other things, there would be improvements with respect to the pensions of our retired Canadians. It turned out that there was no such provision in this legislation, and we have drawn attention to that fact as forcefully and as energetically as we could.

I think it would be appropriate to say that this is another example of the value of parliamentary debate. During the course of it, it is quite obvious that the government has got the message and has come to the realization that it cannot leave our old age security recipients relying on the provisions of the Canada Assistance Plan for increased pension income. It is obvious that the government has come to the realization that it has to do something else. That is why we debated this measure as we did.

I think it was a shameful performance for the people of this country to be led for three or four days to believe that the minister would make a statement on this matter at the end of second reading, a statement which he then refused to make. But that is now part of history. What is significant today is that the minister has assured the house and the country that before this session recesses a statement by the government will be made in the

house telling us what the government's plans are with respect to old age security recipients. He not only gave that assurance on orders of the day this morning but he alluded to it half a dozen times when we were in committee of the whole today.

• (3:50 p.m.)

It now being clear that there is a statement with respect to old age security which the government is going to make, and it now being clear that this legislation is just about passed and will soon be approved by the House of Commons, it seems to me that the appeal just made by the right hon. Leader of the Opposition (Mr. Diefenbaker) is one to which the minister ought to respond. He disappointed the older people of Canada when he did not make a statement last Tuesday. I think it would be compounding that disappointment to say now that they must wait until Monday.

Here is an excellent opportunity, I suggest, on third reading of this bill for him to make the statement. I suggest to him that, if he feels there is some procedural reason that he should not do it on third reading of this bill, immediately this bill has been approved we understand the next item of business will be consideration of interim supply. At that point the bill will have gone through all the stages of debate in this House of Commons. It will have met all the conditions he has laid down and has added to as the days have gone by.

I suggest if he is not prepared to make his important statement during the third reading debate, he should be prepared to do it while we are discussing interim supply and before the debate on interim supply is concluded. We are glad to join with the government and other members of the house in supporting this legislation for what is in it. We regret that it did not have in it what must be done for our old age security recipients. We are glad the debate has resulted in the government's being prepared to make the statement, and we urge that the statement be made now.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the first thing I want to say is to express my appreciation to the members of the house for the manner in which they have discussed and dealt with the Canada Assistance Plan. I appreciate the extent of the debate and the sincerity of the motives of all hon. members who have participated in the debate at the various stages of the bill, especially the renewed appeal that has been made this afternoon by the right hon. Leader of the Opposition (Mr. Diefenbaker) and the hon. member for Burnaby-Coquitlam (Mr. Douglas) with respect to a further statement affecting the older citizens of Canada.

I had been asked several questions earlier today and finally, on the advice given to me by the hon. member for Burnaby-Coquitlam who associated himself with the Leader of the Opposition and others, I agreed to make a statement before the end of the session. The hon. member for Burnaby-Coquitlam said it was a matter of indifference—these are not his exact words—where or when the statement was made, as long as it was made in the house and before the end of the session.

Mr. Lewis: Before the summer recess, he said—not the end of the session.

Mr. MacEachen: I accept the correction—before the summer recess. I feel that is a reasonable attitude to take, and I undertook to make this statement in the house before the summer recess. I can only conclude by saying it is a matter of deep regret to me that I am unable to respond positively to the seductive appeal made to me by the right hon. Leader of the Opposition.

Motion agreed to, and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Rinfret in the chair.

INTERIM SUPPLY

Resolved, that a sum not exceeding $1,662,982,-791.93, being the aggregate of—

(a) four-twelfths of the total of the amounts of all of the Items set forth in the Main Estimates for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament, not otherwise provided for, except Finance Item 15 for which the proportion is three-twelfths, and Transport Item 103 and Loans, Investments and Advances Item L40 for which no proportion is granted—$1,252,481,028.67;

(b) an additional four-twelfths of the total amounts of Dominion Bureau of Statistics Item 10, Mines and Technical Surveys Item 40, Loans, Investments and Advances Items L75 and L80 (Schedule A) of the said Main Estimates—$4,299,-333.83;

(c) an additional three-twelfths of the total of the amounts of Mines and Technical Surveys Items 15 and 70 (Schedule B) of the said Main Estimates—$1,902,250.00;

(d) an additional two-twelfths of the total of the amounts of Mines and Technical Surveys Items 55 and 75, Secretary of State Item 40, Loans, Investments and Advances Items L30 and L95 (Schedule C) of the said Main Estimates—$25,681,300.00;

(e) an additional one-twelfth of the total of the amounts of Agriculture Items 5 and 55, Finance Item 10, Fisheries Item 10, Justice Item 1, Mines and Technical Surveys Items 20, 25, 35, 45, 60, 80, 85, National Film Board Item 1, Northern Affairs and National Resources Item 15 and Transport Item 5 (Schedule D) of the said Main Estimates—$16,293,229.17;

(f) seven-twelfths of the total of the amounts of all of the Items set forth in the Supplementary Estimates A for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$193,924,378.08;

(g) four-twelfths of the total of the amounts of Agriculture Item 35a, Defence Production Item 20a, Finance Item 4a, Mines and Technical Surveys Item 40a, Transport Items 102a and 103a (Schedule E) of the said Supplementary Estimates—$5,709,522.67;

(h) two-twelfths of the total of the amounts of Finance Item 15a, Mines and Technical Surveys Item 75a, and National Research Council, including the Medical Research Council, Item 10a, (Schedule F) of the said Supplementary Estimates—$8,459,333.34;

(i) one-twelfth of the total of the amount of Loans, Investments and Advances Item L40a (Schedule G) of the said Supplementary Estimates —$966,666.67;

(j) seven-twelfths of the total of all the Items set forth in the Supplementary Estimates B for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$103,265,750.00;

(k) four-twelfths of the total of the amount of Loans, Investments and Advances Item L32b (Schedule H) of the said Supplementary Estimates—$50,000,000.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1967.

Mr. Diefenbaker: Mr. Chairman, without exhausting my right to speak, I wonder whether the Secretary of State for External Affairs would now place before the committee and the country a general summary of the present position regarding Viet Nam, so that we may discuss that matter through the opportunity provided us by supply? I was not very successful in my appeal to the minister who has just sat down, but knowing the desire at all times of the Secretary of State for External Affairs to furnish the house with the information he has, I ask him to place before us something of the facts, unhampered by generalities and uninhibited by any consideration except the security of the state.

Mr. Martin (Essex East): I understood, Mr. Chairman, that hon. gentlemen wished to make some statements on the Viet Nam problem and I thought I would give them the opportunity of doing so before participating myself in the debate. What I might say might be based on their comments. I know the hon. member for Burnaby-Coquitlam, as well as the Leader of the Opposition, wish to say something.

[Mr. MacEachen.]

Mr. Diefenbaker: I endeavoured to secure a statement from the minister and was as successful as we usually are in having answers from the minister in the chamber on a matter that is causing ever increasing concern in all parts of the world. We have no idea, nor has any information except of a general nature, been given to the people of Canada relating to the stand of the government in connection with this matter. Escalation has taken place within the last few days. The minister has indicated that the government regrets the expansion into the areas being bombed. But, further than that, we do not know what is the stand of the government of Canada. The government sent a messenger on two occasions in the person of a well trained Canadian diplomat, Mr. Ronning, to Hanoi. The second visit was made known to the Canadian people only through references in the United States press.

• (4:00 p.m.)

What is Canada's position? Certainly to listen to the minister expound generalities on this problem one would conclude that Canada's position is neutralist in consequence of membership on the truce commission. What has been the value of the journeys to Hanoi? What reaction has there been? Is there any suggestion by the government that the enunciation by the Prime Minister of a few months ago, demanding a pause in the bombings, is still an integral portion of Canada's policy?

These are matters which we have a right to know. We are getting back more and more to the days of Right Hon. W. L. Mackenzie King, who believed that information on external affairs was the monopoly of the Prime Minister, who was at the same time the Secretary of State for External Affairs.

What attitude are we taking? I do not come before the house to suggest that the United States should withdraw from South Viet Nam, that it should get out, as is demanded by certain groups of individuals. Were it to do so, the result would be the overrunning not only of Southeast Asia but of other countries as well.

Where does the government stand, Mr. Chairman, outside of generalities? We recall very well that during the campaign for the presidency of the United States, the proponents were divided into the classifications of doves and hawks. Mr. Goldwater belonged to the latter classification, the President to the former.

However, in the intervening months the stand taken by President Johnson to all intents and purposes seems to have taken on the same considerations incident to, and part of, the policies advocated by Senator Goldwater. What knowledge did Canada have prior to June 29, when the President extended bombing to strike at the industrial and oil storage areas of Hanoi and at the port of Haiphong? What information was given to Canada in this regard?

Certainly the decision to take that course was a new initiative. It implied the adoption of a hard line by the administration of the United States. The result has been that fear has touched the hearts of men everywhere. No longer is there any question that what is taking place is the waging of a war. What has been the reaction of the Soviet and Chinese communist leaders? Up to the present it has been described as cautious. For how long will that attitude be maintained by the communist countries?

The United States is pouring out its gold and its blood on behalf of the maintenance of freedom for us all. Will this new phase bring about an alteration in the powers of resistance of North Viet Nam, or will it have the result of uniting the communist nation, alienating the friends of the United States in all parts of the world, and finally bringing about a challenge to world peace? We have a right to know where the government of Canada stands. We have a right to suggest that the concealment of Canada's position behind a barrage of words is not an answer to the Canadian people.

In the latter part of June the Secretary General of the United Nations set forth certain basic principles as being appropriate to a peaceful settlement. The first was the cessation of bombing in North Viet Nam. His suggestion in that regard was met by intensification and an expansion.

The second was the scaling down of action in South Viet Nam. His expressed hopes that this might be done had been answered by the North Vietnamese by an ecceleration of infiltration into South Viet Nam.

The third point was that there should be inclusion in the talks that will take place of all who are actually fighting there, meaning that the Viet Cong should have representation at any conference. The last of these three points seems to be a reasonable one, a necessary one, one that should be generally acceptable.

I realize how terrible is the problem, as do we all. But surely we are entitled to information that is provided by United States and British newspapers every day of the week. We are denied information in this house that they provide in their news columns. The London *Times* and the New York *Times* provide more information than this house is able at any time to pry from the government. That is why, instead of giving us generalities, I suggest that the minister place before the house and the country something of the plans, something of the ideas, something of the initiative of Canada.

• (4:10 p.m.)

Much has been made of the fact that we have sent Ambassador Ronning, on two occasions. Strangely enough, the impact of this did not result in more than two or three lines in any of the world's newspapers.

A few days ago one of the great leaders of democracy in the western world spoke in the House of Lords. He is a man who in the darkest days of the 1930's saw the message and meaning and dangers of Hitlerism. When he was unable to arouse the British people or the government to which he belonged, he resigned. Ill health struck him when he became prime minister. In 1956 he followed a course in Egypt that brought about his withdrawal from the House of Commons. But Anthony Eden still remains as one of the world's great men, in my belief, the most knowledgeable now in the western world on international affairs. He too is concerned. He wonders. He asks, how far can the United States continue to expand its bombing attacks without ultimately touching that point beyond which acquiescence will be translated into active antagonism, by communist China and the U.S.S.R?

The report I have is a press report, and I am going to quote from what he said. He spoke to a crowded House of Lords that realized that with his vast experience, his fears would not be unfounded. He said among other things, that he was not convinced communist China was set upon the conquest of Southeast Asia; and then proceeded to say:

> There are other possible explanations for the very dangerous tensions which now dominate Southeast Asia.

That is the speech delivered on Wednesday, as I said some moments ago, at Westminster, in the House of Lords:

> It is conceivable that the Chinese are as convinced that the United States intend their destruction as the Americans are convinced of Chinese

long-range ambitions. One of these convictions we know to be wrong. The other might have a margin of error—

But if military victory cannot provide the full answer for either—and it cannot—a neutralized area might be acceptable to both. I do not believe there is any other way out.

I suggest there is a great deal of wisdom in this suggestion made by the Earl of Avon.

Canada is a member of the commission of three. Canada is unable, of course, to bring about the reconvening of the Geneva conference. What is Canada's attitude? Does it believe that there is any possibility of success being attained for the advocacy and concept of Viet Nam as a neutralized area?

Certainly, the expansion of bombings, however effective it may be militarily, cannot break the spirit of the people. Indeed, nothing brought about that comradeship of standing together more than did those bombings of London during 1940 when the British people were virtually unarmed and when we within the Commonwealth were alone.

What possible victory can come from bombing the gasoline tanks? When the United States originally went into this area, it was for the purpose of assuring the preservation of the line drawn between north and south. The numbers in the armed forces of the United States have been greatly increased, and will be brought to 400,000 within a very few months. Is there not something that Canada can do openly—not clandestinely—but openly and dramatically?

I believe that were we, in this nation, to press toward a neutralized zone in the areas of South Viet Nam and the other areas directly affected, we might be able to bring about at least a degree of potential agreement that might ultimately lead toward the conference table.

I am not critical of the minister for what he has done, whatever it may have been. But I am critical of the fact that on every occasion when we have asked for information, what we have been given is a monologue of uncertainty clothed in magnificent language. I ask the minister, will he not do what is being done in the other capitals of the western world: place before the Canadian people something of the ideas that he has in mind, so that the world will know that Canada at this time has not only the desire which the minister possesses, but has something to present as well. It is all very well to talk about secrecy and, to say: "We must be very careful lest plans get out". Why? When Eden presented a plan, which, after close examination appears to have possibilities, he was not afraid.

• (4:20 p.m.)

I have brushed aside the easy solutions advocated by the New Democratic Party. Strangely enough, their solutions are not the solutions of Prime Minister Wilson. He, although the head of a socialist government in office, has been far removed from the plans advocated by members of the socialist party in this house. The plans which have been placed before parliament by hon. members to my left from the New Democratic Party are, in general, and I say this not by way of criticism—those of the left wing of the Labour party in the United Kingdom—ideas which have been disowned, excoriated, condemned and cast aside by the Prime Minister of the United Kingdom.

This is not an easy matter. I am deeply concerned about the events of the last few days. So that there may be no mistake as to what I mean, I refer to the intensification and expansion of bombing. But we do ourselves injustice as a nation if, having those ideas, we proceed to wide condemnation of the United States and its policies. I disagree strongly with the latest initiative. I find it difficult to understand how, in the light of the experience of history, a nation can believe that however powerful its bombing capacity may be, it can destroy the fortitude and determination of a people. I think Canada should make it abundantly clear to the United States that this is the view of Canadians as a whole regarding this recent venture into extended bombing. Taking this stand however, we should not, as a nation, with the freedom of all mankind dependent on the United States and its forces, engage in the easy course of condemning without offering an effective alternative.

I ask the minister this: Will he not, when he speaks, give Canada and Canadians some hope? The Prime Minister of the United Kingdom is going to the U.S.S.R. in a few days. A week from now he will be there. Will he carry a message not only from the United Kingdom but from other parts of the Commonwealth?

I have some knowledge of the reaction of the U.S.S.R. to anything in the nature of a conciliatory attitude. We had an example of this very recently at a dinner given by the Secretary of State for External Affairs in honour of the parliamentary delegation from the Soviet Union. The Deputy Premier spoke out in a way which could not but be a

contravention of accepted protocol. What he said has been said over and over again, it represents nothing new. At the same time, I say publicly, now, what I have said personally to the Secretary of State for External Affairs, that the manner in which he replied that evening in circumstances which were difficult and trying, was most worthy and deserving of the highest commendation.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The stand he took was clear and definite while at the same time polite and considerate. There was no multiplicity of words to hide the meaning he wished to convey. He spoke in a way which left no doubt as to where Canada stood. I thought that evening that if he would follow the same course in the House of Commons he would indeed earn for himself the highest of encomiums. I hope the stand he took that evening represents a new venture for him, a course of action which will enable him to tell us in short, terse and clearly interpretable language what Canada stands for in terms of the situation in Southeast Asia.

It is very frightening. It fills one with apprehension. History proves that however powerful a nation may be it cannot, in its dealings with other nations, throw the dice and always be sure it will come up with a winning combination. That is what I am concerned about. The latest venture has that kind of attitude about it in the field of international affairs. It is a dangerous game to play.

• (4:30 p.m.)

Mr. Martin (Essex East): Mr. Chairman, I want to assure my right hon. friend that there has not been, and will not be, any concealment of Canada's position with regard to this matter, but in my official capacity I have to determine, together with my colleagues, the circumstances and the occasions when we, too can enjoy the same freedom of exposition which rests with those who do not have the immediate responsbility of deciding the course that Canada must take in this or any other international matter.

I have examined the debate in the British House of Commons. I have read carefully what the Prime Minister of Britain said yesterday, and what Lord Home said yesterday, and I suggest to hon. members that there has not been, in any free parliament that I know of, more questions answered about this particular problem. While hon. gentlemen may complain about the generality of some responses, I suggest if they will examine the responses made by other foreign ministers they will find that Canada has been as forthcoming as she has a right and a responsibility to be at this time in regard to a matter, which the right hon. gentleman said, is one that gives him great concern, as it does all of us.

Of course I am aware that there is widespread concern here, and among Canadians generally, about the most recent course of developments in Viet Nam. The right hon. gentleman spoke of the speech made the other day by Lord Avon, the former British Foreign Secretary. Lord Avon was not referring to the current situation in Viet Nam. He was dealing with what he thought would be a desirable ultimate solution, a solution not unlike the proposition which the prime minister and I have put forward on two occasions, once in the house and once in the external affairs committee, as to what the ultimate disposition might be of this problem.

But we are addressing ourselves today not to what is going to happen when the conflict is over, but to how we are going to bring this conflict to an end, and to what we can do to realize this objective, and to what our view is about what is alleged to be a recent escalation in the pattern of war carried on by the United States against North Viet Nam.

Let there be no doubt we are all concerned about this problem. On a number of occasions the government has expressed its reservations with regard to the bombing of North Viet Nam and about the whole sequence of events which led the United States to the conclusion that it had no option but to adopt this course. I made my views known before the recent bombings took place, and in a manner which I believe was the most effective way to engage in consultations with a country with which Canada has such close ties.

One could be dramatic. One could engage in particular public postures that might bring acclaim, but I want to say that as long as I am Secretary of State for External Affairs, and certainly with regard to this situation, I am going to carry on in the way which I believe will most likely yield favourable results, rather than seek acclaim by some public position that is not capable of yielding a satisfactory solution.

The Prime Minister made clear on June 29 that we would be glad to see the bombing stopped, that we would be glad to see the

infiltration of North Vietnamese troops into South Viet Nam stopped, and that we would be glad to see unconditional negotiations for peace started. This has always been our position. We urged a ceasefire before the President of the United States said he was prepared to enter into peace talks without any preconditions. When we now urge a ceasefire we must take into account some of the implications which were mentioned yesterday by Mr. Wilson. We could have talks if the parties were so disposed, without waiting for a ceasefire, and these talks in turn might lead to a ceasefire.

I think it important that we understand fully the implications of the action which has now been taken to bomb the oil storage facilities in North Viet Nam. I do not think we can limit our analysis merely to the military aspects of this operation. I propose to go beyond these aspects, to go into other implications which seem to me essential to a full appreciation of the present situation.

So far as the strictly military aspects are concerned, it can be argued that the general pattern of activity has not been significantly altered by the bombing of the oil storage facilities of North Viet Nam. On the understanding that has been communicated to me, it is not the intention of the United States government to extend the bombing to targets which are not directly related to the infiltration of men and supplies from North Viet Nam to buttress the insurgency in the south.

The fact is that the oil storage facilities which have been the target of recent attacks are located in close proximity to major concentrations of population in North Viet Nam. I take it from the preliminary reports that have been made available to the government of Canada that every care has been taken to spare civilian life in those operations. Nevertheless I would be less than frank if I did not say there is a risk inherent in these operations in terms of giving this conflict a character, a complexion which I am sure all of us would be concerned to avoid, and which my right hon. friend himself said he was concerned to see avoided.

There is a further aspect to these latest operations which is bound to cause concern. That is the possibility, as my right hon. friend mentioned, of a greater engagement in this conflict by those who have supported and actively encouraged the policies and the efforts of the government of North Viet Nam. It is not possible, I think beyond a certain point, to estimate what the threshold of that greater engagement may be, but it must be clear that everyone in every country, in all of the continents, is concerned about the dangers flowing from any change in the pattern of the present conflict.

[Mr. Martin (Essex East).]

It seems to me exceedingly difficult to guarantee against a miscalculation on the part of one or other of the powers concerned who may consider the course of developments in Viet Nam as carrying a direct risk to their national security. All I can say at the moment is that, from all the information that has been made available to us, there appears to be a continuing recognition of the need for restraint on the part of all the governments directly concerned in the conflict.

I wish to deal with a matter which seems to me to be crucial from the point of view of the Canadian government and of other governments which believe that a negotiated solution is the right way of resolving the Viet Nam conflict. The question we must ask ourselves is whether these latest developments, or any future developments tending in the same direction, are likely to help or hinder the prospect of such a solution. This has been the cornerstone of Canada's policy and the guiding consideration in the efforts which we have been making in recent months.

I am bound to say on balance, that whatever the rights or wrongs of the situation may be, it is the judgment of the Canadian government that there is a relationship between this whole matter of bombing and the prospects of arriving at even a beginning of a process which might in due course yield an honourable accommodation of the interests of the major parties in the conflict in Viet Nam.

• (4:40 p.m.)

I should like to take this point a little further by explaining to the house the positions of the government of North Viet Nam and the government of the United States, as I understand them, on the basis of what has been said publicly and in private discussions. The government of North Viet Nam has called for a permanent and unconditional cessation of all bombing and other acts of war against their territory. This is one of the elements in a letter which president Ho Chi-Minh addressed to the Prime Minister on January 24, and in the absence of which the government of North Viet Nam does not appear prepared to envisage a political solution. The argument behind this formulation is that by bombing targets in North Viet Nam

the United States is encroaching on the sovereignty of that country, and that this is a violation of accepted standards of international law and international relations. The government of North Viet Nam accordingly does not think that a willingness to cease this bombing should be qualified by any conditions whatsoever, or that it warrants any countervailing undertakings by the North Vietnamese government in respect of its own policies.

I think the North Vietnamese point of view is well reflected in a statement issued by the Chinese authorities in Peking on July 3 last. The following extract is relevant to this matter:

> U.S. imperialism long ago completely violated the Geneva agreements and broke the line of demarcation between South and North Viet Nam. It has now further broken this line by its bombing of the capital of the heroic Vietnamese people. The United States must be held responsible for all the serious consequences arising therefrom. With the breaking of the line of demarcation by the United States, the Vietnamese people have ceased to be subject to any restrictions.

This is a significant statement. The house will note that it refers twice to the demarcation line which, however temporary it was designed to be, was laid down in the Geneva cease-fire agreement of 1954. The statement appears to argue that, so long as this agreement has not been superseded by a permanent settlement of the whole Viet Nam question, that line must to all intents and purposes be regarded as a *de facto* political boundary between North and South Viet Nam, and must be respected as such.

This interpretation of the provisions of the Geneva agreement is, I think, one which Canada, as a member of the international Commission in Viet Nam is bound to take seriously. It is also, I think, an interpretation which lies at the root of the whole position of the government of the United States as regards the matter of support and sustenance which the government of North Viet Nam has afforded to the insurgency in the South. I regret to say, however, that it is only partially accepted in the statement from which I have read to the house. For, having placed due emphasis on the inviolability of the line of demarcation between South and North Viet Nam, the Chinese statement goes on to say that "all support and aid rendered by the North Vietnamese people to South Viet Nam are within the sacred right of the Vietnamese people". It is this evident inconsistency which is the crux of the problem we are facing in Viet Nam and to which we must address ourselves if there is to be any prospect of a peaceful and lasting settlement of the present conflict.

What is the position of the government of the United States? It is in the following terms as they have been given to us. The United States is prepared to stop the bombing of North Viet Nam at any time as part of a mutual reduction of hostilities on both sides. They regard the military activities in North and South Viet Nam as forming part of a single problem. If the North Vietnamese were prepared to respect the demarcation line in terms of the assistance they are providing to the insurgency in the South, the United States, for their part, would be prepared to match such a move by halting the bombing of targets in the north which are associated with that assistance.

This, then, is the impasse as I see it. There is a relationship between this matter of bombing and whatever moves it may be possible to make toward an eventual settlement.

Mr. Diefenbaker: Would the minister allow a question at this stage? Today's press refers to an Associated Press dispatch which reads as follows:

> An unpublished report by Canadian and Indian representatives on the International Control Commission in Laos was cited Thursday by Conservatives attacking the Labor government's Viet Nam policy.
>
> Anthony Royle, Tory MP for Richmond, Surrey, said the report gave Prime Minister Wilson firm arguments and firm evidence to enable him to give full public support to American bombing of oil installations.

What is the nature of the report by Canada which has not yet been published but which was utilized in debate in Westminster? What is the meaning of the statement that Canada had spoken, along with India, in such a way as to justify what was done in this connection.

Mr. Martin (Essex East): I do not object to the question. I will deal with it right away. This was an interim report made by the commission—and it has been tabled—calling attention to activities of certain elements which were opposed to the government of the south operating in Laos.

Mr. Diefenbaker: When was it tabled?

Mr. Martin (Essex East): I think about two months ago. I do not have the exact date.

Mr. Diefenbaker: That is the report to which reference is made?

Mr. Martin (Essex East): Yes.

Mr. Lewis: May I ask the minister a question. Is the report to which the right hon. gentleman referred the one that was tabled?

Mr. Martin (Essex East): If it is not that report, I do not know what report it is. When the question was directed to me I assumed it must be that report. I do not know of any other such report in respect of Laos in recent months.

The North Vietnamese government believes that the bombing of their territory should be stopped by a unilateral commitment on the part of the United States. The United States government, on the other hand, argues that it is unrealistic to expect them to give a unilateral commitment of this kind which would leave North Viet Nam without any commitment in respect of their infiltration of men and supplies into the south.

What is to be the position of the Canadian government in this situation? I believe that there are two choices open to us. We can take strong public positions on any or all of the issues involved in the present conflict. That is the easiest thing we can do. Alternatively, we can continue to do what we have been trying to do. So long as I am in this office that is what I propose to continue to do, because I believe this is the only effective way available of achieving the objectives we have in mind. We will continue to conduct quietly and through diplomatic channels our efforts to find the basis for an accommodation in Viet Nam.

I would seriously suggest to the house that we can follow one or the other course I have mentioned. We cannot effectively follow both at one and the same time. I think we have to admit to ourselves that there are no simple solutions to this conflict. And, because there are no simple solutions, a settlement in Viet Nam will not be achieved overnight; it can only emerge from a patient probing of positions.

• (4:50 p.m.)

It will have to go right to the roots and the origins of the conflict in Viet Nam and it will have to be such as to hold out an assured prospect of peace and stability, not only in Viet Nam but in Southeast Asia as a whole. This is what Lord Avon had in mind when he talked of neutralization; not now, not as a meand to bring this conflict to an end, but as the kind of solution that would follow a negotiated settlement. If this is what we are working toward, then I think it will be agreed we must take first steps first.

It is being put to me from time to time that Canada, either by itself or in co-operation with other countries, should issue a call to a new Geneva conference. Before we set out to determine the proposed new role for the commission, we had already done that. Before we sent Mr. Ronning to Hanoi and Saigon and elsewhere we had already done that. I now resist this course, not because it is unreasonable or because it does not represent a long-term objective of the government of Canada. We have had discussions with the government of India, and I mention India because of the speech made yesterday by her distinguished prime minister to the effect that there should be a conference called.

This proposal was made over a year ago and again last November before we contemplated the proposed role for the commission, and before we decided on the Ronning missions. I have now resisted this course, in the sense that I have resisted it before, because all the information available to me indicates that a call of this kind will not have the desired results in present circumstances, much as I would like to be able to say that the situation was otherwise. We have been told this without going to Moscow, on the highest authority. It is one thing to call for a conference; it is quite another thing to ensure its being attended by those who must be there.

It seems to me that a conference lies at the end of the road, not at the beginning. If one could be held now, and if the Soviet union, as co-chairman, acquiesced in the suggestion of the prime minister of India to join with Britain in calling such a conference, all of us would support this. But I would have to say, as I have already implied, that knowing what I do I would be greatly surprised if the representations that must be at such a conference would be prepared to attend one at this time, whether it would be on Viet Nam or indirectly on Laos or Cambodia.

Mr. Churchill: Do you mean Russia or the United States?

Mr. Martin (Essex East): I prefer to leave my statement as it is.

Mr. Churchill: It is ambiguous.

Mr. Martin (Essex East): It is not ambiguous.

I cannot foresee what intermediate steps may have to intervene before the time for such a conference is ripe. But, on the basis of

all the discussion we have had, it is my assessment that it is likely there would have to be some preliminary undertakings, and I emphasize the word "undertakings", about the points of substance which are at issue in this conflict. What this means, in Canadian terms, is that we must do all we can to try to create the conditions in which the processes which will lead to an ultimate settlement can be started. This is precisely the task to which we have addressed ourselves.

I say again that we welcome the proposals made yesterday by the Prime Minister of India. The purposes and objectives behind her proposals are shared by the Canadian government and they are shared by all of us in this house. If these proposals commend themselves to the parties concerned, and if the parties concerned would attend the conference—I am sure the United States would be among those that would—and if progress on that basis were possible, I can assure the house and the government of India that Canada is prepared to do whatever may be required of us to see that these proposals are translated into action.

My right hon. friend spoke of Mr. Ronning's two visits to Hanoi. I would like to underline certain aspects of this initiative which may have been lost sight of in the great volume of publicity, and on this I regret to disagree with my right hon. friend, which Mr. Ronning's visits have generated.

First, I have said that this was a Canadian initiative and that it was carried out by Mr. Ronning on the instructions of the Canadian government, and not on the instructions in any way of any other government. I reiterate this today because the impression has been created in some quarters that Mr. Ronning's mandate may have been something other than it was.

Second, I would like the house to understand that the assignment we have taken on is essentially in the nature of a good offices assignment. It is inherent in such an assignment that we would be concerned to understand the positions and attitudes of all the parties, and that we would do our best to interpret and clarify the positions and attitudes of one side to the other. That, broadly speaking, has been the form which Mr. Ronning's assignment has taken.

Third, I would like to restate the ultimate object of this initiative. It has seemed to us that if a beginning is to be made in the long and patient process which we hope will lead to ultimate peace in Viet Nam, we must find a basis on which both sides would be prepared to see such a beginning made. The mere calling of a conference, desirable as that is, does not meet this essential objective, as we have learned in our discussions with both sides. This is the only potentially useful channel through which there has been contact with both sides in a long time. I will not say it is the only channel, but it is the only channel which has access to both sides. I regard this as a tribute to our country as well as to Mr. Ronning himself.

I do not wish to give the house a misleading impression of our results so far. We have not achieved any spectacular results and I think I can quite frankly say that we have had no illusions as to the pace at which progress was likely to be possible.

As I have explained previously to the house, we regard the two visits which have now been made to Hanoi—there may be others —as phases of a continuing effort. Over how long a period of time this effort may extend I cannot say. What is significant is that we have had a fair hearing, and on both occasions with the top personalities of the north and the south and, of course, with the government of the United States. I can say that if the channel we have established remains open, and if its potential usefulness is not called into question by any of those concerned, I do not think, in a situation where a failure of communication may be crucial, we can discount the significance of such a channel for the time when the circumstances for the solution of the Viet Nam conflict are ripe.

The situation facing us in Viet Nam is as serious as any which has faced us since the Korean war. Since that time there has been growing confidence on the part of the international community that it has the means of bringing its influence to bear on situations of this kind, and to put an end to armed conflict, and to lay the groundwork for political solutions. That is the essence of the concept of peacekeeping which Canada and others have tried to develop and strengthen through the United Nations.

We accepted the suggestion of the president of the United States that he would welcome any effort by any country to try and bring about at least preliminary talks that might lead to serious negotiations, which in turn might result in a negotiated settlement. It was in the light of this situation that we thought last December there was a role for the international commission. Canada, India and Poland, as members of this commission,

have had experience in Indochina now for 11 years. Being the only body that has a continuing link with Hanoi and Saigon we thought that, quite apart from any authority given to that commission under the Geneva agreement, it might undertake the effort to try and bring about a narrowing in the position taken by the various parties.

• (5:00 p.m.)

To that end we have had useful and fruitful exchanges with India and Poland. Our view was that the time had come to use the commission for this purpose. We did not suggest they were not as sincerely interested in peace as we were. One of the countries took the position that perhaps this was not the particular moment in which to establish a role for the commission as a mediating instrument. But we continue, all of us, India, Poland and Canada—and this was rearffimed yesterday by the Prime Minister of India—to look upon the commission as having a role in this situation.

The government of India reaffirmed yesterday that they would be happy to see the commission used to try and bring the parties together. Because we felt there would be some delay in trying to use the commission for the purpose I have mentioned, the government asked Mr. Ronning, a man born in China, who speaks Chinese, who knows many of the personalities involved, to undertake, if this could be arranged with the support of the governments concerned—the United States, North Viet Nam and South Viet Nam—a series of discussions to find out if there was a basis for a preliminary discussion between the parties.

We have made a commitment, and we intend to respect it, to the parties concerned that what went on in Hanoi is a matter that must rest with the government of Canada until such time as we are in a position to report, finally, success or failure. It cannot be any other way. My hon. friend the member for York South the other day asked me whether I was in favour of the three proposals made by the Secretary General of the United Nations. He knows my views in these matters; he has known them for a long time. He knows where I stand and where this government stands. But if I had replied in specific terms to that question, I would have violated a commitment which Mr. Ronning, speaking for the government of Canada, made in discussions he has had. I do not propose in any way to endanger or destroy the credibility of a channel that is still open, and which may yet be used to deal with this very serious situation.

We have had discussions only this week with representatives of the government of the United States, right here in Ottawa. I have had discussions, as the Prime Minister has, with the Deputy Premier of the Soviet Union who is visiting Canada. We will continue these discussions next week. Other countries are engaged in similar processes. I want this house and the country to know that there is no item on our agenda that is more important than trying to bring about some process of discussion between the parties concerned, in order that we can bring an end to the conflict in Viet Nam. That is the objective of all of us.

I believe, Mr. Chairman, that a military solution of this problem of course is not possible by itself. We are all aware of the dangers that flow from the conflict that has raged in that area. We are dealing with the situation as it is now; we are not dealing with its genesis. We have sought not to emphasize the history of this situation, but to try and see if we could not make our position as a mediator more effective by taking the most objective position possible. I think thus far we have succeeded in doing this.

I can tell the house that no opportunity will go by without our making every attempt that we can, by ourselves, as a member of the commission or in concert with other countries, to try to bring about peace talks. When they do take place, whether by a Geneva conference or as a result of the kind of situation that developed in Korea and Malaysia, namely by gradual process, then we will address ourselves as one country in the international community to those methods by which we hope to bring about an effective neutralization of the whole area.

The objective that Lord Avon spoke of the other day will not be achieved without, of course, the use and support of the international community, through the United Nations or otherwise. Mr. Chairman, I resume my seat after saying that this undoubtedly is one of the most serious situations the world faces. It is not a conflict in which we are engaged. It is not a conflict in which we have any intention of dispatching Canadian armed forces. This, we continue to repeat, would be inconsistent with our role on the International Control Commission, just as Her Majesty's government in the United Kingdom yesterday said that it would be improper for Britain to send forces to Viet Nam because of

her role as one of the co-chairmen of the Geneva conference powers.

Mr. Churchill: The same situation would apply to Russia, the other co-chairman.

Mr. Martin (Essex East): I think so. We have done everything we know, with our friends, to put forward our point of view. We have done so as a result of the accommodation extended our representative, Mr. Ronning, in Hanoi. We intend to respect the nature of the conversations that have taken place there and elsewhere, in the hope that we might be able, as a result of this instrument, to bring about the beginnings of peace in Viet Nam. If we do not succeed, it will not be because Canada has not tried. We are not wedded to this method alone. If there is some other way by which peace negotiations can be begun, we will support it. But I want this house to know that we are not weakening in our effort to try to bring about peace in Viet Nam.

Progress reported.

• (5:10 p.m.)

Mr. Diefenbaker: Mr. Speaker, I wonder whether this is altogether fair?

Mr. Martin (Essex East): No, I agree.

Mr. Diefenbaker: No opportunity has been given to the hon. gentlemen of other parties to express themselves. I, for one, feel that we should agree not to be concerned with private members hour, but that hon. gentlemen to the left, who have not had as yet the right or opportunity to speak, should be given it.

Mr. Martin (Essex East): I concur in this suggestion, Mr. Speaker. I think that we would want to give other parties, particularly the hon. member for Burnaby-Coquitlam, the opportunity to speak.

Mr. Douglas: I rise on a point of order, Mr. Speaker. I was under the impression that private members hour had been eliminated for both yesterday and today by an order of the house. Am I mistaken in that view?

Mr. Churchill: It was not actually an order; there was a bit of confusion yesterday, as we may recall.

Mr. Thompson: It was our impression that private members hour would be dispensed with today and we would go on with the business in committee of supply.

Mr. Peters: As one of those involved, Mr. Speaker, I am in complete agreement with this procedure. I think it should be noted that this action has been taken by the private members and we should probably continue the procedure until our recess.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

INTERIM SUPPLY

Resolved, that a sum not exceeding $1,662,982,791.93, being the aggregate of—

(a) four-twelfths of the total of the amounts of all of the Items set forth in the Main Estimates for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament, not otherwise provided for, except Finance Item 15 for which the proportion is three-twelfths, and Transport Item 103 and Loans, Investments and Advances Item L40 for which no proportion is granted—$1,252,481,028.67;

(b) an additional four-twelfths of the total amounts of Dominion Bureau of Statistics Item 10, Mines and Technical Surveys Item 40, Loans, Investments and Advances Items L75 and L80 (Schedule A) of the said Main Estimates—$4,299,333.83;

(c) an additional three-twelfths of the total of the amounts of Mines and Technical Surveys Items 15 and 70 (Schedule B) of the said Main Estimates—$1,902,250.00;

(d) an additional two-twelfths of the total of the amounts of Mines and Technical Surveys Items 55 and 75, Secretary of State Item 40, Loans, Investments and Advances Items L30 and L95 (Schedule C) of the said Main Estimates—$25,681,300.00;

(e) an additional one-twelfth of the total of the amounts of Agriculture Items 5 and 55, Finance Item 10, Fisheries Item 10, Justice Item 1, Mines and Technical Surveys Items 20, 25, 35, 45, 60, 80, 85, National Film Board Item 1, Northern Affairs and National Resources Item 15 and Transport Item 5 (Schedule D) of the said Main Estimates—$16,293,229.17;

(f) seven-twelfths of the total of the amounts of all of the Items set forth in the Supplementary Estimates A for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$193,924,378.08;

(g) four-twelfths of the total of the amounts of Agriculture Item 35a, Defence Production Item 20a, Finance Item 4a, Mines and Technical Surveys Item 40a, Transport Items 102a and 103a (Schedule E) of the said Supplementary Estimates—$5,709,522.67);

(h) two-twelfths of the total of the amounts of Finance Item 15a, Mines and Technical Surveys Item 75a, and National Research Council, including the Medical Research Council, Item 10a, (Schedule F) of the said Supplementary Estimates—$8,459,333.34;

(i) one-twelfth of the total of the amount of Loans, Investments and Advances Item L40a (Schedule G) of the said Supplementary Estimates —$966,666.67;

(j) seven-twelfths of the total of all the Items set forth in the Supplementary Estimates B for the

fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$103,265,750.00;

(k) four-twelfths of the total of the amount of Loans, Investments and Advances Item L32b (Schedule H) of the said Supplementary Estimates—$50,000,000.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1967.

Mr. Douglas: Mr. Chairman, I think it is appropriate on interim supply that the committee should take some time to discuss the very serious situation which has developed in Viet Nam. I have listened with great interest to the statement made by the Secretary of State for External Affairs. I must say that about all the minister has done has been to tell us about all the difficulties there are. He has given no leadership whatever, nor has he set forth any program which the government intends to pursue with a view to finding a solution to the unfortunate debacle in Viet Nam.

We have waited now for three years to get some statement of policy from the government. All we have had in three years, and again today, has been a series of platitudinous bromides calculated to put the house to sleep and to lull the fears of the Canadian people. Unfortunately, Mr. Chairman, the fears of the Canadian people cannot be lulled quite so easily. The recent escalation of the bombing to include the areas of Hanoi and Haiphong has touched the conscience of the world. World leaders, some of whom had in the past supported United States intervention in Viet Nam, have now spoken out with alarm at this most recent escalation of the war.

The fact is that by this recent step, the government of the United States is now gambling with human survival and is, step by step, bringing this conflict to the place where it will inevitably spread into what may be a major world war. The President of the United States has been assuring his people that there really is not anything to worry about, that the Chinese will not react very violently, and that the main thing to do is to get the war in Viet Nam finished before the November elections. It almost seems as if the President has succeeded in brainwashing the Secretary of State for External Affairs, who referred today to the recent escalation of bombing as an alleged escalation of bombing.

Well, Mr. Chairman, there does not seem to have been merely an alleged—and I put the "alleged" in quotes—escalation of the bombing. The bombing has now been brought to the capital city and to the chief port of North Viet Nam, and dangerously close to the borders of mainland China. If this process of escalation continues, it can only be a matter of time until mainland China becomes militarily involved. In an appearance before a congressional commission General John P. Lavelle, on March 5 said that American military forces had all their plans laid by which they could easily bomb the major centres of mainland China. He said there really was not anything to be concerned about if mainland China entered the war. What we have to ask ourselves is, after we have bombed the main centres of China where does the United States go from there?

• (5:20 p.m.)

You cannot defeat a country just with air raids. If the United States seeks to land troops in mainland China and becomes involved in a land war with 700 million people, it would be like a fly on flypaper. Not only will it be involved in Asia, with a billion Asiatics violently hating the white man for the barbarous bombing of Asiatic communities, but if the United States becomes involved in a war with mainland China it will have to blockade China and insist that Canada stop trading with China, and that we do not feed the people of China. If anyone is so naive as to believe that the United States would continue to allow Canada to send wheat to China, I am sure that they are due for a very rude awakening.

Whether or not the military intervention of mainland China will bring the Soviet Union into such a conflict, we do not know; but we do know that this most recent escalation has probably brought the world closer to a major world war than anything which has happened in the last 21 years.

We have made no secret of where we in this party stand. We have said all along that we believe that the United States has no business in Viet Nam; that she is there in violation of the Geneva accord agreement that she is there in violation of the charter of the United Nations. The only possible solution is, first, for the United States to discontinue the bombing unconditionally; second, the United States should be prepared to treat not only with North Viet Nam but also with the national liberation front in South Viet Nam. Third, the United States must be prepared to withdraw its forces, to be replaced by peacekeeping force; to give to the people of Viet Nam an opportunity to decide in supervised, secret ballot whether or not the

want to unite North and South Viet Nam; and to determine the kind of government which they shall have. That has been our position, and it has not altered.

The Leader of the Opposition said that our position has not been the same as the position taken by the prime minister of Great Britain, and that is true. I have differed with Prime Minister Wilson, both publicly and privately, on this question. However, I would point out that even Prime Minister Wilson, who has up until recent days supported the position of the United States, has now dissociated himself from the bombing of Hanoi and Haiphong, and has expressed his strong disapproval of this most recent escalation of the war.

Mr. Wilson is not the only one who has altered his position somewhat with reference to the Viet Nam situation. My friends to the right in the Conservative party, who a year ago last May were making speeches completely in support of United States intervention in Viet Nam, are now beginning to have very serious doubts about the long-term effect of that military venture.

This is because what both the official opposition and the government have failed to recognize, Mr. Chairman, is that it is only a difference of degree between bombing the villages and the hamlets of North Viet Nam and then starting to bomb the cities of North Viet Nam. The first step was bound to lead to the next step, just as the step now taken of bombing Hanoi and Haiphong will inevitably lead to a further escalation—either the destruction of the port of Haiphong or the mining of the port, or the destruction of the railway leading into mainland China.

I fear that the United States is making the same mistake which it made in Korea, when the President of the United States and General MacArthur assured the people of that great country that there was no danger in United States troops going up to the Yalu River, and that the Chinese had been so intimidated that they were not likely to intervene. But they did intervene.

Fortunately the world managed to get itself out of that débâcle, but I am not so sure that it can get itself out of this one unless the leaders of the western world are prepared to take more forthright and courageous steps than the Canadian government has indicated it is prepared to take today. The Canadian government—

Mr. Martin (Essex East): Would my hon. friend permit me to ask him a question. Does my hon. friend agree with the initiative that we have taken both with regard to the commission and with regard to the services of Mr. Ronning? If he does agree, as I must assume he does, knowing his interest in these matters, does he think that we would in any way strengthen the Ronning mission, and what all parties hope will be the result of this mission, by taking some of the positions which he asks us to take?

Mr. Douglas: Mr. Chairman, I will deal with that in detail in a few moments. May I as a preliminary answer say to the minister that of course we agree that any attempts which Mr. Ronning can make to find some basis for agreement are all to the good. But that does not relieve the government of the responsibility which it has to lay out a program, to state its position clearly to all the nations of the world, and to follow that program.

I want to say to the minister that we are in a new age of diplomacy. These are no longer the days of Metternich and Disraeli. We no longer need the diplomacy of Talleyrand-Périgord. It is a new kind of diplomacy and leadership which is needed today. This is not all going to be done behind the scenes; it is going to be done by governments and by men like the Prime Minister of Canada and the Secretary of State for External Affairs giving some leadership among the nations of the world.

That is exactly the point to which I am coming. Canada has always placed as the cornerstone of its foreign policy the effectiveness of the United Nations and the building of collective security as the best means of maintaining world peace. United States intervention in Viet Nam has been carried out in complete defiance of the charter of the United Nations, which requires nations to negotiate their differences and to report immediately to the United Nations any alleged measures of self-defence which they propose to take. The United Nations has been scrupulously ignored and avoided by the United States in this whole sorry mess.

• (5:30 p.m.)

Appeals by the Secretary General of the United Nations, U Thant, have been ignored and brushed off abruptly, and sometimes not too courteously. Recently he set forth a proposed program not too different from that which I suggested a moment ago as a possible basis for a solution. He received no answer at all from the United States. Secretary U Thant has described what is happening in Viet Nam

as the most barbarous war in history. Yet this man who is the spokesman for the United Nations gets no hearing, and no action is taken on the proposals he is making.

When we talk about the idea of collective security, is the United Nations only for small powers? Is it only to be used to police the conflicts in Gaza, or in Cyprus, or only to intervene in Suez? When a great power like the United States or the Soviet Union, or when some other major power is involved, is the United Nations supposed to creep away to a corner and pretend that a war is not taking place?

Mr. Martin (Essex East): Of course not.

Mr. Douglas: Yet, this war is going on. The minister says "Of course not". The United Nations should not ignore it, and yet the United Nations has been ignoring it, and the minister has done nothing to take this matter to the United Nations, to attempt to obtain a clear statement of opinion.

Mr. Martin (Essex East): Is the hon. member not aware that the Secretary General of the United Nations said last January when the United States took the Viet Nam question to the Security Council, that that was not the place for the Viet Nam question, and that it could only be decided within the framework of a Geneva conference, because the parties concerned were not all members of the United Nations organization. That is why this is not before the United Nations.

Mr. Douglas: Mr. Chairman, the minister has just made an excellent point. Yet, not more than half an hour ago he argued that he was going to resist calling the Geneva powers together for a whole series of reasons. He gave us reasons as to why that course would not succeed. Now he is stating that the United Nations can do nothing.

Having ruled out both these international organizations, what does the minister propose?

Mr. Martin (Essex East): We did not rule out the Geneva conference.

Mr. Douglas: I did not interrupt the minister while he was making his statement, and I would appreciate his not interrupting me. May I tell the minister that one of the reasons why the United Nations cannot be effective in coping with this problem is because the nations most vitally involved are not members of the United Nations.

[Mr. Douglas.]

Mr. Martin (Essex East): That is right.

Mr. Douglas: And why are they not members of the United Nations? Because the government to which the minister belongs, or governments which have preceded this one have never had the courage to support the admission of mainland China to the United Nations. The minister is still prepared not to support such a measure.

Mr. Martin (Essex East): How do you know?

Mr. Douglas: If the minister is prepared to support that measure I shall sit down now, to give him a chance to make a statement. As a matter of fact, I tell the minister that he will never support the admission of mainland China to the United Nations until the day that the United States government admits that it is prepared to admit mainland China to the United Nations.

Mr. Martin (Essex East): That is your view.

Mr. Douglas: That is when the Government of Canada will move on this matter.

Since the United Nations is not able to cope with this problem, by virtue of the fact that some countries most vitally involved are not in its membership, this leaves only one international body that has any hope of resolving this problem. I refer of course to those nations which attended the Geneva conference in 1954 and which signed the Geneva accord. That is why some of us have been urging now for some years that the Canadian government, as a representative on the International Control Commission which was set up by that Geneva conference, should insist upon the reconvening of that conference.

We are playing a ludicrous part in an international farce. We are a member of an International Control Commission on which there are Canadian personnel and on which we have spent millions of dollars. Yet the body that set up that commission has never been reconvened to deal with the report of the commission.

Mr. Martin (Essex East): Yes it was; in 1962.

Mr. Douglas: It has done nothing to meet, and to endeavour to implement the recommendations of that report. The minister is not telling me that anything was done to implement the recommendations of the report of 1962?

Mr. Martin (Essex East): I said that the body concerned had met in 1962, having met in 1954.

Mr. Douglas: Yes. Nothing has been done to call the conference together, or to take the recommendations made by the International Control Commission, and to seek to implement them.

In 1962 Canada and India signed a majority report complaining about the violation of the Geneva accord by both sides. Nothing was done about this. Canada has never insisted that something should be done about it. We have reached the stage where we ought either to insist that the two co-chairmen reassemble the Geneva conference, and do something to exercise the authority which that body gave to the International Control Commission, or we ought to ask the commission to absolve Canada of any further responsibilities, and to recognize that that phase of the whole story is at an end.

The minister says that it will not be easy to get the Geneva accord powers together. I suggest that the first thing to be done is for the Canadian government to call on the United States government to unconditionally stop the bombing. Nobody is going to attend a conference while the bombing is going on.

The minister spoke as if he thought it was too much to ask the United States to stop the bombing unconditionally. Why? Here is a great power bombing a small nation with which it is not legally at war. It has been bombing that small nation for over one year killing its civilian men, women and children, laying waste its villages and destroying its crops. Surely it is not too much for Canada and for the other western powers to say to the United States: "In the hope that we can reconvene the conference, in the hope that we can begin negotiations toward peace, we want the bombing stopped".

The United States will not be making a concession because it discontinues the bombing. In my opinion it had no moral right to begin the bombing. It is not too much to ask that country now to discontinue, in the hope that the Geneva powers can be brought together, so that they can seek and find the solution to this conflict.

The second thing that will be necessary, if you get the Geneva powers together, is for the United States to state clearly, at this conference that it is prepared to negotiate not only with the government of North Viet Nam but also with the National Liberation Front in South Viet Nam. We may not like the National Liberation Front. We may not approve of its politics. The fact is that it represents over 50 per cent of the population, and occupies between 60 and 70 per cent of the territory of South Viet Nam.

The minister referred this afternoon to the National Liberation Front as "the insurgents". You will have some difficulty convincing the people in South Viet Nam that they are the insurgents, when what they sought to do was to obtain the benefits that were promised to them under the Geneva agreement. The people had been promised elections for July of 1956. They did not get them. The people had been promised that the demarcation line between North and South Viet Nam was a temporary line, and not to be considered a national boundary; that they were to have the right of self determination as to whether or not North and South Viet Nam would come together in a single and sovereign state; that they would have the right to determine what government they would have.

Instead of that they had a government foisted on them with United States bayonets, and maintained with United States financial and military power. The minister describes the people who object to this as insurgents. Whether or not they are insurgents, the fact is that there can be no hope of any solution until they are given a seat at the conference table, and until they have some voice in working out and negotiating a peace in South Viet Nam.

• (5:40 p.m.)

There will be no peace in Viet Nam until all foreign troops are withdrawn. We recognize that to withdraw them without replacing them with some international peacekeeping force would probably introduce wholesale slaughter. A civil war cannot go on for more than ten years without a good deal of bitterness and hatred, as we saw even in Europe after the occupation by Nazi Germany. It therefore seems to me that, once the Geneva powers reach some basis of agreement between the conflicting parties, there will have to be an international police force supplied either by the Geneva accord powers or by the United Nations, stationed there for the purpose of maintaining law and order, for the purpose of supervising elections and for helping to set up a stable government in that war-torn country.

I readily concede that there is no easy solution. The minister is right when he says a solution cannot be found overnight. But this situation in Viet Nam has been going on for

ten years and United States intervention on a large scale has been going on for the last four years. The minister has been Secretary of State for External Affairs for over three years. I am not asking him to settle this conflict overnight, but unless the government takes some action fairly soon the world will see a long night descend upon it.

Mr. Churchill: Will the hon. member permit a question? He said the United States has been intervening for the last four years. Prior to that he said the government in South Viet Nam had been foisted upon them by American bayonets. Is it only in the last four years that there has been a government in South Viet Nam?

Mr. Douglas: Oh no. As the hon. member knows, the so-called United States military advisors have been there, and military aid has been given to South Viet Nam ever since the Americans set up the well known Diem as a virtual dictator. However, the National Liberation Front which began to oppose Diem and his successors carried on guerilla warfare throughout the period from 1956 onward. But it is in the last four years that American intervention has been on a major scale. First it was military advisors. Then that pretext was brushed aside and the American forces which in 1964 numbered around 25,000 have been stepped up to a quarter of a million. Moreover, it is estimated that by next winter their strength will have reached 400,000.

Thus United States military participation has been growing steadily. It has ceased to be merely a small military effort buttressing that of the government. It has become a matter of America waging the war and the government of South Viet Nam merely going along for the ride.

Mr. Churchill: The decision to intervene was made by President Kennedy.

Mr. Douglas: That may be, but the decision to bomb North Viet Nam, the decision to escalate the war, the decision to raise the number of troops from 25,000 to 250,000, the decision to bomb Hanoi and Haiphong was taken by President Johnson who was elected in opposition to the very program which he is now carrying out. The Goldwater program which president Johnson opposed in 1964 is now being put into action by the man who opposed it.

Before I was interrupted I was saying that I do not suggest for a moment the solution is easy. When a conflict of this kind is allowed to build up over a decade and when it is not possible to undo the past, it is naturally not easy to find a solution. But neither this government nor this parliament can continue to commit the crime of silence. We cannot stand silent while a war is being carried on, a large part of it directed against defenceless civilians. We cannot stand idly by while a war is being escalated to the point at which it may involve all mankind, without speaking out.

I had hoped that the minister would make today a clear and specific pronouncement as to where Canada stands. Instead, he contented himself by supporting the United States decision while at the same time regretting that we were in the mess we are in. In one breath he says there was no hope of a military solution and in the next he was saying there was not much use calling a conference.

Mr. Martin (Essex East): May I interrupt the hon. gentleman? I am sure he would not want deliberately to misinterpret what I said. The statement I made was a careful statement prepared by the government so that it would reach all concerned. We were trying to explain in this statement the role we had undertaken—

Mr. Douglas: What the minister is saying is that he proposes to work quietly behind the scenes. If the minister thinks that is the role for Canada to play, that is his decision. All I want to say is that silence at this stage of events is, in my opinion, criminal. I believe that in the world today Canada should be taking a position alongside those who have spoken out.

The Prime Minister of India has spoken out and called for the reconvening of the Geneva accord conference.

Mr. Martin (Essex East): So have we.

Mr. Douglas: The Prime Minister of Britain has dissociated himself from the most recent escalation of the bombing.

Mr. Martin (Essex East): So have we.

Mr. Douglas: He is going to Moscow to try to persuade the Soviet union and the other co-chairman of the Geneva powers to agree to calling a conference. General de Gaulle has spoken out. He has as much right to be diplomatic and to work behind the scenes as has the minister.

The Deputy Chairman: I must inform the hon. member that the time allowed for his speech has expired.

Some hon. Members: Go on.

The Deputy Chairman: Has the hon. member unanimous consent to continue?

Mr. Thompson: Some of the rest of us would like an opportunity to speak, too, and there is only ten minutes left.

Mr. Churchill: For our part, we are prepared to go on beyond six o'clock to enable hon. members to speak on this very important subject, on the understanding that we shall complete the discussion on Viet Nam this evening and do not resume it on Monday. I decided to forgo my opportunity to speak under those conditions.

Mr. Douglas: I will take only two minutes.

The Deputy Chairman: Has the hon. member unanimous consent to go on?

Some hon. Members: Agreed.

• (5:50 p.m.)

Mr. Douglas: I was saying to the minister that Prime Minister Gandhi, Prime Minister Wilson and President de Gaulle who have much more reason to be cautious and diplomatic than the minister has—have spoken out. Senator Fulbright, chairman of the foreign affairs committee of the United States has spoken against it. Senator Mike Mansfield, who is majority leader for the Democratic party in the United States Senate, has opposed his own president on this matter. Senator Robert Kennedy has spoken out in protest against this most recent escalation of the war. I am saying to the government that if these world leaders can speak out now, not as enemies of the United States but as men and women who recognize that unless something is done, and done quickly, mankind could slide into a nuclear holocaust that could destroy our civilization and everything that it means to us, then I hope before this debate is over the minister, or the Prime Minister, will make a statement to the effect that either one of them is prepared to fly to Moscow to reinforce Mr. Wilson's plea for a reconvening of the conference.

It may be, as the minister has said, that there are difficulties. He has told us all the difficulties. He should be known as the minister of difficulties. Of course there are difficulties. We don't need him to tell us of the difficulties. We need him to tell us what he is going to do. So far all he has told us is that he is going to work quietly behind the scenes. This country needs dynamic leadership in the present world situation, but we are not getting it. Silence at this critical moment in the history of mankind is criminal.

Mr. Thompson: Mr. Chairman, the time is now six minutes before six o'clock and I would like to know whether we are going to continue this debate past six o'clock, because if there are only a few minutes left I shall have to adjust my remarks accordingly.

Mr. Martin (Essex East): Mr. Chairman, the suggestion made by the hon. member for Winnipeg South Centre was a good one. I thought we had all concurred in it so that my hon. friend could speak.

Mr. Knowles: I wonder if the hon. member for Winnipeg South Centre would accept a slight modification. We are prepared to sit on. In fact we are prepared to sit to hear the hon. member for Red Deer and one of the Creditistes who may wish to speak; but there are other hon. members who wish to speak in this debate and we would not want to have it ended.

Mr. Churchill: That was not my recommendation. I was willing to forgo a speech myself, if the subject of Viet Nam were concluded today; but if it is to continue on Monday then we should not sit beyond six o'clock.

Mr. Thompson: In view of this I think we should call it six o'clock because it is impossible to speak on a matter of this importance in such a limited time.

Mr. Martin (Essex East): Just before doing that, Mr. Chairman, I would like to make a correction. I was asked a question about a report. I thought it was a report that I had tabled, but apparently the report referred to in the United Kingdom yesterday is that of the international commission in Laos dealing with an attack in March, 1965, by forces of North Viet Nam on a royal Laotian government training school at Dong Hene. The report has been forwarded by the commission to the two co-chairmen, but they have not yet given authority to publish it. I shall make it

available as soon as appropriate action has been taken by either one of the co-chairmen.

Mr. Churchill: Since there are a couple of minutes left before six o'clock I would like to ask the hon. member for Burnaby-Coquitlam a question with respect to his suggestion that the Secretary of State for External Affairs should insist that the co-chairmen of the Geneva conference re-assemble that conference. How does one insist; and if the insistence fails, then what action would be taken? If you are going to insist on something, then unless it is a bluff you have to do something else.

The Secretary of State for External Affairs cannot use force to make them call the conference together. If they do not, then is the only action left in his hands withdrawal from the International Control Commission, or what is the action he would take if his insistence fails?

Mr. Martin (Essex East): I know this was not in my hon. friends proposal, but in view of the fact that two party leaders have spoken, would he agree to sit on so that we could hear the hon. member for Red Deer?

Mr. Churchill: Not under those circumstances.

Mr. Thompson: Mr. Chairman, if there is no agreement to sit beyond six o'clock, may I call it six o'clock?

Mr. Douglas: Mr. Chairman, I was asked a question by the hon. member for Winnipeg South Centre. Canada is a member of the International Control Commission and if the two co-chairmen are not prepared to carry out their responsibility for reconvening the conference I do not see why we should continue on the commission. I do not think the commission has any value.

If the two co-chairmen do not consider it sufficiently important to call a meeting to deal with the reports of the commission, and to deal with the situation which is their responsibility, Canada must say to them, "Either you call a conference, or there is not any use in continuing the farce of having a commission in Viet Nam." If we know that neither of the chairmen can agree to reconvene the conference, then the only world organization left is the United Nations. Otherwise we must reconcile ourselves to the fact that there is no collective security and no hope of maintaining the rule of law in the world.

[Mr. Martin (Essex East).]

Mr. Thompson: Mr. Chairman, in view of the fact that there is no agreement to go beyond six o'clock, may I call it six o'clock?

Progress reported.

BUSINESS OF THE HOUSE

On the order:

Government notices of motion—The Minister of Public Works—the following proposed motion:

1. "That notwithstanding the provisions of standing orders 2(1) or 6(1) or any other standing order, the hours of sitting for the remainder of this week shall be as follows:

Thursday, July 7—2.30 p.m. to 11.00 p.m.
Friday, July 8—11.00 a.m. to 11.00 p.m.
Saturday, July 9—11.00 a.m. to 6.00 p.m.

2. That notwithstanding the provisions of standing orders 15(3) and 39-A or of any other standing order, the adjournment proceedings on Thursday, July 7 and the private members' hour on Friday, July 8 shall be suspended.

3. That the order of business and procedure on Saturday, July 9 shall be as for a Friday, except that there shall be no private members' hour."

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I would ask the consent of the house to withdraw the notice of motion appearing on the order paper under my name, and having to do with the hours of sitting.

Mr. Deputy Speaker: Is there unanimous consent for the withdrawal of this motion?

Some hon. Members: Agreed.

Mr. McIlraith: I should add that I propose putting a new one on the order paper for Monday. Because of a curious anomaly in our rules it is not possible to have a motion to extend the hours of sitting brought forward without unanimous consent, unless two day's notice is given. The same anomaly arises about adjournment of the house. The purpose of the motion is to have a vehicle on the order paper should, as we hope, those two considerations require the attention of the house very early next week.

Order discharged and motion withdrawn.

• (6:00 p.m.)

Mr. McIlraith: Mr. Speaker, the business we propose submitting for consideration by the house on Monday is interim supply; then the bill respecting conditions of employment at the ports of Montreal, Trois-Rivières and Quebec; then the income tax bill; then the National Arts Centre bill; then the Canadian

Film Corporation bill, and then the medicare resolution. If the measures mentioned first are not completed on Monday, we would ask the house to consider the medicare resolution on Tuesday. I make that statement on the assumption that interim supply will be granted Monday, because I think hon. members appreciate that a need for it will have developed by Monday night.

Business of the House

Mr. Stanley Knowles (Winnipeg North Centre): Are we to understand that the business announced for Monday will be called in the order indicated by the minister?

Mr. McIlraith: Yes.

At six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

QUEBEC LONGSHOREMEN'S STRIKE—TERMS OF SETTLEMENT AND CORRESPONDENCE

TERMS OF SETTLEMENT FOR TWO-YEAR COLLECTIVE AGREEMENT

BETWEEN

THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION LOCALS IN MONTREAL, TROIS-RIVIERES AND QUEBEC

AND

THE SHIPPING FEDERATION OF CANADA

1. Each employee will receive 40c. for every hour worked as of January 1, 1966, made up as follows:—

20c. increase per man-hour worked retroactive to January 1, 1966, and effective up to but not including the day work resumes; and

20c. per man-hour worked retroactive to January 1, 1966, effective up to but not including the day work resumes in compensation for improvements in productivity.

From date of resumption of work the above increases shall be applied on overtime as well.

2. An additional 15c. per hour increase in wages to be effective January 1, 1967; and a further 25c. per hour increase in wages to be effective on May 1, 1967 also in compensation for improvements in productivity. These increases shall be applied on overtime as well.

3. Call up of Montreal gangs for Monday morning to be before Saturday at 1:00 P.M. for ships in port except for gangs working on Saturday afternoon, Saturday night and/or Sunday.

For vessels arriving after 1:00 P.M. Saturday, orders for gangs to be given between 3:00 P.M. and 5:00 P.M. on Sunday.

The companies will co-operate with the Union Local 375 in the establishment of a mutually acceptable system to handle the reception of such calls with the installation and rental charges to be paid by the Union to the communication company.

The companies and the Union agree to meet with Judge Lippe as soon as practical to work out the details of such system.

4. Paper cups to be provided for use with drinking water containers.

5. All cargo hooks to be fitted with tongues.

6. When closing hatches, all hatch beams, including the centre beams, to be in place.

7. When men are ordered out on any vessel it is recognized that the work of opening and closing hatches, other than mechanical type hatches, is to be performed by members of the Union. In the event that the mechanical type hatches are opened by ship personnel it is agreed that the hatches shall not be opened before the commencement of the period. When closing mechanical type hatches with ship personnel men shall leave the hatch fifteen minutes before the end of the period. In the event that any hatches are opened by ship personnel prior to the commencement of a period the gang concerned shall be entitled to fifteen minutes pay.

8. An additional 3c. per hour to be paid to checkers and coopers in Montreal as of date of return to work plus a further 3c. per hour on January 1, 1967.

9. An additional 5c. per hour to longshoremen and checkers in Quebec as of date of return to work plus a further 5c. per hour on January 1, 1967.

10. An additional 5c. per hour to longshoremen in Trois-Rivières as of date of return to work plus a further 5 c. per hour on January 1, 1967.

11. Vacation pay to be increased from 4 per cent to 5 per cent on earnings as of date of return to work.

12. A four hour guarantee for each recall to be introduced as of date of return to work to be provided in agreements of Montreal Locals 375 and 1552, and Quebec Locals 1605 and 1739.

The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above and these amended agreements shall remain in effect until December 31, 1967, unless amended by negotiations or otherwise. The parties agree to attend a meeting convened and presided by Judge Lippe for the purpose of signing the new agreements in accordance with the above. It is understood that all of the above is subject to ratification by the membership of the respective I.L.A. Locals and of

the membership of the Shipping Federation of Canada.

SIGNED on behalf of the International Longshoremen's Association, Atlantic Coast District by Vice-President.

Gérard Tremblay.

SIGNED on behalf of the following International Longshoremen Association Locals:—

Local 375 (MONTREAL)

Paul Asselin, President
Jean-Marc St. Onge, Business agent

Local 1552, (MONTREAL)

Romeo Jobin, President
Marcel Cardinal, Business agent

Local 1657, (MONTREAL)

Justin McCarthy, President

Local 1846, (TROIS-RIVIERES)

Gerard Tremblay, Atlantic Coast District, Vice-President
on behalf of
Norman Quigley, President
—and—
Marcel Thibeault, Business Agent

Local 1605, (QUEBEC CITY)

Philippe Duguay, Director
Gerard Tremblay, Atlantic Coast District, Vice-President

Local 1739, (QUEBEC CITY)

Roland Frigault, Business Agent

Legal Counsel, for I.L.A.

Ph. Cutler

SIGNED on behalf of the Shipping Federation of Canada:

Alexander C. Pathy
Member, Executive Council

In the presence of:

Hon. John R. Nicholson,
Minister of Labour
Judge Rene Lippe,
Mediator
George V. Haythorne,
Deputy Minister of Labour

Ottawa, June 14, 1966.

23033—471½

CUTLER, LAMER, BELLEMARE,
BURNS & ROBERT
Barristers and Solicitors
Avocats

June 20, 1966

The Honourable John R. Nicholson
Minister of Labour
Parliament Buildings
Ottawa, Ontario

My dear Mr. Minister:

We are enclosing for your information copy of an opinion sent to Mr. Gérard Tremblay as requested.

Sincerely yours,
Cutler Lamer Bellemare Burns and Robert
Per: Ph. Cutler

June 16, 1966

Mr. Gérard Tremblay, a.c.d.
Vice-President
International Longshoremen's Association
5583 Marcel Monette Street
Montreal North, P.Q.

Re: Terms of Settlement as between I.L.A. St. Lawrence River Ports Locals and The Shipping Federation of Canada

Dear Sir:

With regards to the "speculation" on the part of certain persons concerning possible legislation by the Parliament of Canada on gang crews productivity or similar matters, our position is quite clear and unchanged.

Throughout mediation with Judge René Lippé, the various Ministers, or the Prime Minister of Canada, it was made clear as to terms that:

1. We have not and we are not asking for any legislation, since we take the view that productivity in the above ports has continually increased;

2. On the other hand, in the event that The Shipping Federation of Canada or others should ask for legislation, we do not join them or support them, either directly or indirectly;

3. Should legislation be introduced in the Parliament of Canada on the request of the employers or otherwise, we will of course study the proposed legislation in order to determine our position. However, we will continue to oppose any final and binding arbitration, as we have throughout the negotiations and mediation and as shown in the "terms of settlement" wherein there is no reference to final and binding arbitration despite the various attempts of The Federation of Canada to include such terms;

4. Should parliament adopt legislation amounting to final and binding arbitration contrary to the "terms of settlement", it will be despite our every licit opposition in cooperation with the Canadian Labour Congress policy as stated to the Prime Minister and the other Ministers by President Clause Jodoin;

5. Should it be decided to have an inquiry, but without final and binding provisions, and only for the purpose of guiding the parties and clarifying the situation, it is my opinion that we should cooperate, and of course we will make all necessary proof to show the fallacy of the position taken by certain employers with regards to productivity which has in fact increased over the years in these ports.

There is no hesitation in giving you this opinion, since you will recall that again and again was this stated throughout the negotiations and we will not allow any pretence of a tacit agreement or other hidden understanding between the parties or with representatives of the Government of Canada.

There is only one document containing all the "terms of settlement" and these terms are clear and precise in themselves and cannot be added to or in any way changed.

Trusting that this will comply with your request for our opinion, we remain,

Yours very truly,
CUTLER LAMER BELLEMARE
BURNS & ROBERT
per: Ph. Cutler

Ottawa 4, Ontario,
June 27, 1966

Mr. Phil Cutler,
Messrs. Cutler, Lamer, Bellemare,
Burns & Robert
Barristers and Solicitors,
Provident Building,
507 Place d'Armes,
Suite 405,
Montreal 1, Que.

Dear Mr. Cutler:

I have received your letter of June 20 and appreciate your action in forwarding a copy of your letter of June 16 to Mr. Gerard Tremblay, Vice-President of the Atlantic Coast District of the International Longshoremen's Association.

In order to clear up any possible misunderstanding with respect to the settlement reached on June 14 between the International Longshoremen's Association Locals in Montreal, Trois-Rivieres and Quebec and The Shipping Federation of Canada, there are a few observations which I would like to make on your letter to Mr. Tremblay.

During our discussions on June 13 and 14 and previously on June 11 and 12, both Mr. Pickersgill, who was the Acting Prime Minister in Mr. Pearson's absence over the weekend, and I stated that, provided the parties reached agreement on all of the other items in dispute, the government was prepared to establish an Industrial Inquiry Commission to carry out an independent and objective study of problems in connection with improvements in productivity, job security and related matters, and to take steps to have the conclusions reached as a result of this independent Industrial Inquiry Commission implemented by legislative enactment.

You will recall that the same commitment was made by the Prime Minister during the meetings held in his office on the night of June 13.

This commitment was directly associated throughout our discussions with the wage settlement for both 1966 and 1967 which, as you know, was only accepted by The Shipping Federation of Canada on the strength of this commitment.

It was also connected, you will recall, during our final discussions with the question of calling up and recalling of men.

You made it clear that the International Longshoremen's Association was not requesting the establishment of an Industrial Inquiry Commission or that legislation be introduced in this respect. You did say, however, that the International Longshoremen's Association would co-operate with the Industrial Inquiry Commission and that, if legislation were passed which provided for the implementation of the conclusions of this Commission through legislative enactment, the International Longshoremen's Association would not oppose the legislation and that you, as counsel for the International Longshoremen's Association, would advise that the law be respected.

The Terms of Settlement signed on June 14 include the following statement: "The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above and these amended agreements shall remain in effect until December 31, 1967, unless amended by negotiations or otherwise." It was my understanding, and this has been confirmed by both Judge Lippe and Dr. Haythorne, that the words "or otherwise" were included to

provide for conclusions reached by the Industrial Inquiry Commission to be implemented by legislative enactment.

It was, as you will recall, agreed that there would be no reference in the Terms of Settlement to the Industrial Inquiry Commission or to the mediator's recommendations with respect to its Terms of Reference or to the way in which its conclusions would be implemented.

The absence of any reference to the Industrial Inquiry Commission in the Terms of Settlement must not be interpreted, and this was made clear to you and to the members of the International Longshoremen's Association during our meetings, as an indication of any change in the understanding which was reached with both parties with respect to this Commission including the manner in which its conclusions would be implemented.

Yours sincerely,
original signed by
Hon. J. R. NICHOLSON
John R. Nicholson.

Jun 30 302 PM '66

CANADIAN PACIFIC TELEGRAM

ZC HOO48 ZC 670/649 RX RX RX 11cx
No Montreal Que 30 207P Est

The Honorable John R Nicholson Minister of Labour Parliament Build Ottawa (to be dely before 3 pm or fone)

We are instructed to inform you that our clients, the International Longshoremen's Association St. Lawrence River Ports locals protest any attempt to ignore our constant opposition to final and binding arbitration in collective bargaining stop

You are surely aware that president Claude Jodoin of The Canadian Labour Congress was speaking

HOO48 Hon R Nicholson Ottawa 2 49

For all of us when he informed the Honorable Lester B Pearson, Prime Minister and all other ministers present on the night of the strike settlement, that any attempts to legislate or bring about final and binding arbitration would be strenuously opposed as contrary to free collective bargaining stop

HOO48 Hon R Nicholson Ottawa 3 50

You and your colleagues are aware that we have constantly stressed that any attempt on the part of the Government to legislate as requested by the employers, members of the Shipping Federation of Canada, would be strenuously opposed stop

You are aware that the terms of settlement of the St. Lawrence River ports strike drafted

HOO48 Hon. R Nicholson Ottawa 4/54/50

and signed in your office on June 14, 1966 by the representatives of the parties and by you, Mr. Minister, constitute all of the settlement and that the ILA locals have not agreed to any other conditions of settlement than those contained in the June 14 1966

HOO48 Hon Nicholson Ottawa 5 52 50

14th Document stop.

We were of course aware that some employers were urging the Government to legislate in their favour, but we trust that you will do our clients the courtesy of informing the House of Commons and the interested public that the ILA locals never joined these employers in 14th

H0048 Hon Nicholson Ottawa 6 50

Their unreasonable demands for legislation, never agree to any legislation and at all times forewarned that all legislation directly or indirectly seeking final and binding arbitration would be strenuously opposed and that every means afforded to us in law would be used to meet what our clients consider to be

H0048 Hon Nicholson Ottawa 7 53 50

A threat to free collective bargaining stop

We are further instructed to protest that your mandate to Mr. Laurent Augustin Picard denies him the freedom to investigate objectively by putting more than 10-0/0 of longshoremen in the ports concerned outside his jurisdiction and therefore subject to loss of employment stop

H0048 Hon Nicholson Ottawa 8 52 49

In this way, Mr. Minister, whether or not it was your intention, you have already gone a long way in telling Mr. Picard to give the employers exactly what they are asking since the employers have never asked for more than a 10-0/0 reduction in basic work gangs stop

10-0/0

H0048 Hon Nicholson 9 79

Our clients are particularly amazed to find that you have submitted calling up and recalling of men employed in longshore work as part of the mandate to Mr. Picard since we were not even aware that the employers were asking this and you will recall that Mr. Jean-Marc St-Onge business agent informed you and your colleagues on behalf of all ILA delegates that there would never be a collective agreement without the minimum four hour guarantee on recall stop

H0048 Hon Nicholson Ottawa 10 79 68

Your mandate to Mr. Picard dated 23rd June, 1966 makes no mention of this conclusions becoming the object of legislation to set aside or amend the terms of settlement between the parties and signed by you on June 14, 1966 and, in these circumstances, we are further mandated to send a copy of this telegram to Mr. Picard and to invite him to consider whether he agrees that he should

HOO48 Hon Nicholson Ottawa 11/53

withdraw in order to refrain from being instrumental in bringing about a situation that in the view of the ILA will surely be condemned by all of organized labour in Canada and the public in general stop

The ILA locals reiterate their position that any inquiry the Government chooses to institute despite ILA

H0048 12 38 Hon Nicholson Ottawa

Opposition should be the basis for voluntary negotiations for the next collective agreement since to do otherwise would be creating the dangerous precedent of disrupting the relationship between management and labour during the life of a collective agreement.

Cutler Lamer Bellemare Burns and Robert Attorneys for I.L.A. ST Lawrence River Ports Locals

CN TELECOMMUNICATIONS

June 30, 1966

Messrs. Cutler, Lamer, Bellemare, Burns
Barristers and Solicitors
Provident Building
507 Place d'Armes
Suite 405
Montreal 1, Quebec

Re your telegram June 30 copy of which you have indicated was sent to commissioner Picard am greatly surprised at contents of your wire especially in view of my letter to your Mr. Cutler dated June 27 which you indicated you had received an which I understood you accepted as a factual statement of the situation Stop Mr. Cutler will recall that in final stages of negotiations the crucial issues in dispute were the size of the wage increase and job security and calls and recalls on the one hand and technological changes on the other Stop After weeks of negotiation and lengthy bargaining it proved impossible to agree on the one without the other Stop The position of the union members re wages and job security was acknowledged by the federation through the substantial wage increases agreed to by them only on condition that an independent inquiry commission would be established and that its conclusions would be implemented as early as possible in 1967 as result of legislative enactment Stop The commitment of the government to establish such a commission and to recommend to parliament implementation of its conclusions through legislation was made in course of those final negotiations and as set forth in my said letter to Mr. Cutler it was made on the distinct understanding that the parties would reach agreement voluntarily on all other matters as in fact they did on June 14 Stop Pursuant to the statement we made at the time, the terms of reference of the commission are restricted to technological changes and related matters job security and calls and recalls of men Stop There had been throughout full opportunity for free collective bargaining on all these matters and after several months of negotiations after five weeks of a costly strike and after strenuous mediation efforts voluntary agreement on such matters had proved to be impossible Stop The terms of settlement signed on June 14 contain a reference to amendments to collective agreements being made by negotiation or otherwise Stop It was clearly understood that these last two words were inserted in the terms of settlement in order to ensure that findings of commission would form part of collective agreements should the commission recommend any changes Stop It is a fact that the International Longshoremen's Association made it clear during final stages of the negotiations that it was not requesting the establishment of an industrial inquiry commission or that legislation be introduced in this respect but Mr. Cutler did assure me and my cabinet colleagues in presence of union officials that the International Longshoremen's Association would co-operate with the industrial inquiry commission which we stated would be established and that should legislation be introduced by government providing for the implementation of the conclusions of such commission through legislative enactment your clients the International Longshoremen's Association, though they would not support the legislation, would obey the law and that he as counsel for the association would so advise them Stop The terms of reference of the industrial inquiry commission now provide for meritorious cases to be included under job security plan as

determined by the commission Stop The government is proceeding to fulfil its commitment Stop

John R. Nicholson
Minister of Labour

CANADIAN PACIFIC TELEGRAM

Office of the Prime Minister
Cabinet du Premier Ministre

'66 June 30 PH 4 03

ZC H0050 ZC678/657 RX RX RX

HO Montreal Que 30 207P Est

The Honorable Lester B. Pearson
Prime Minister Parliament Buildings Ottawa

(PLS Rx Dely or Fone)

Copy of Telegram sent to the Honorable Nicholson

We are instructed to inform you that our clients, the International Longshoremen's Association St. Lawrence River ports locals protest any attempt to ignore our constant opposition to final and binding arbitration in collective bargaining Stop

You are surely aware that President Claude Jodoin of the Canadian Labour Congress was speaking for all of us when he informed the Honorable Lester B Pearson, Prime Minister, and all other ministers present on the night of the strike settlement, that any attempts to legislate or bring about final and binding arbitration would be strenuously opposed as contrary to free collective bargaining Stop

You and your colleagues are aware that we have constantly stressed that any attempt on the part of the government to legislate as requested by the employers, members of the Shipping Federation of Canada, would be strenuously opposed Stop.

You are aware that the terms of settlement of the St. Lawrence River ports strike drafted and signed in your office on June 14, 1966 by the representatives of the parties and by you, Mr. Minister, constitute all of the settlement and that the ILA locals have not agreed to any other conditions of settlement than those contained in the June 14th document Stop

We were of course aware that some employers were urging the government to legislate in their favour, but we trust that you will do our clients the courtesy of informing the House of Commons and the interested public that the ILA locals never joined these employers in their unreasonable demands for legislation, never agreed to any legislation and at all times forewarned that all legislation directly or indirectly seeking final and binding arbitration would be strenuously opposed and that every means afforded to us in law would be used to meet what our clients consider to be a threat to free collective bargaining Stop

We are further instructed to protest that your mandate to Mr. Laurent Augustin Picard denies him the freedom to investigate objectively by putting more than 10-0/0 of longshoremen in the ports concerned outside his jurisdiction and therefore subject to loss of employment Stop

In this way, Mr. Minister, whether or not it was your intention, you have already gone a long way in telling Mr. Picard to give the employers exactly what they are asking since the employers have never asked for more than a 10-0/0 reduction in basic work gangs stop

Our clients are particularly amazed to find that you have submitted calling up and recalling of men employed in longshore work as part of the mandate to Mr. Picard since we were not even aware that the employers were asking this and you will recall that Mr. Jean-Marc St-Once business agent informed you and your colleagues on behalf of all ILA delegates that there would never be a collective agreement without the minimum four hour guarantee on recall stop

Your mandate to Mr. Picard dated 23rd June, 1966 makes no mention of his conclusions becoming the object of legislation to set aside or amend the terms of settlement between the parties and signed by you on June 14, 1966 and, in these circumstances, we are further mandated to send a copy of this telegram to Mr. Picard and to invite him to consider whether he agrees that he should withdraw in order to refrain from being instrumental in bringing about a situation that in the view of the ILA will surely be condemned by all of organized labour in Canada and the public in general stop

The ILA locals reiterate their position that any inquiry the government chooses to institute despite ILA opposition should be the basis for voluntary negotiations for the next collective agreement since to do otherwise would be creating the dangerous precedent of disrupting the relationship between management and labour during the life of a collective agreement.

Cutler Lamer Bellemare Burns and Robert Attorneys for I.L.A. St Lawrence river ports locals

TELECOMMUNICATIONS

June 30,1966

Messrs. Cutler, Lamer, Bellemare, Burns and Robert
Barristers and Solicitors
Provident Building
507 Place d'Armes,
Suite 405,
Montreal 1, Quebec

Referring your telegram to me of today's date in which you refer to your wire to Minister of Labour I have seen his telegram in reply stop My own knowledge of the facts fully confirms this reply

Lester B. Pearson
HO Montreal Que 4 213P EST

The Honourable Lester B Pearson Prime Minister of Canada

Re your telegram June 30th apparently you were unaware of following facts Stop

When I.L.A. St. Lawrence river ports locals delegation left Montreal for Ottawa it was determined that no member of delegation would meet alone or without witnesses in seeing any minister or any representative of federal government Stop

While such an attitude may appear hostile it was the unanimous decision of the 18 delegates who having met with government representatives on two previous occasions in same dispute refused to go to Ottawa unless that rule be observed Stop

In fact no member of the delegation ever saw or spoke to any minister or government representative without being accompanied by Claude Jodoin, President, Canadian Labour Congress, Gerard Tremblay, I.L.A. Vice-President, Phil Cutler, one of the three attorneys present Stop

Furthermore, it was determined that the question of final and binding arbitration in all its aspects be left to President Jodoin as the spokesman on this issue Stop

At the very first meeting with several of your ministers when the Honourable Pickersgill put a question concerning final and binding arbitration to Phil Cutler, attorney, President Jodoin immediately and emphatically intervened to inform the various ministers present and all others that he, as Canadian Labour Congress President was mandated to reply and to state categorically that the I.L.A. was opposed to final and binding arbitration in any form as a settlement of this dispute and that Canadian Labour Congress supported this position of its affiliate as being identical to congress policy Stop

While we assume, Mr. Prime Minister, that you were not aware of the above facts, you will however recall that in your office and in your presence, the Honourable Nicholson raised the question of final and binding arbitration and again president Jodoin strenuously opposed final and binding arbitration being part of any settlement as a threat to free collective bargaining Stop

You may further recall, Mr. Prime Minister, that it was on that occasion that the Honourable MacEachen intervened concerning a recent speech he had made and assured president Jodoin and all others present that there was no decision on the part of the government to impose final and binding arbitration Stop

In any event, Mr. Prime Minister, since President Claude Jodoin was always present whenever any member of the I.L.A. delegation or any of the three accompanying attorneys met with you or other government representatives from the time we arrived in Ottawa until the time you, as Prime Minister, announced the settlement of the strike, we have communicated with President Jodoin and we understand that he will communicate with you so that knowledge of the facts be complete as to the reasons why the I.L.A. St Lawrence River Ports Locals continue to oppose final and binding arbitration as emphatically as stated to you personally and to your ministers by the president of the Canadian Labour Congress on behalf of its affiliate prior to your announcement of the strike settlement.

Cutler Lamer Bellemare Burns and Robert
Attorneys for I.L.A. St. Lawrence River Ports Locals

CANADIAN PACIFIC TELEGRAM

Jul 5 230p.m. '66

'66 jul 5 p.m. 2 37
RAW2 521/507

RA Montreal Que 5 1205P EDT

The Honourable Lester B. Pearson, Prime Minister

Parliament Buildings Ottawa
Copy of these telegram sent to Mr Claude Jodoin.

We have now received and we are sending you under separate cover a signed copy of the report sent by Judge Rene Lippe acting as Commissioner of an Industrial Inquiry Commission appointed in law by the Honourable John R. Nicholson, Minister of Labour. Stop

You will note that the reports sets out in chronological order *inter alia* on page 9, and we quote a text prepared in close cooperation with officials of the Department of Labour end of quote for the establishment of a commission of inquiry to investigate the structure of gangs and other matters and we quote the text was acceptable to the federation but not to the association end of quote. Stop

Having set out that the I.L.A. St. Lawrence River ports locals had rejected the text for an inquiry, Judge Lippe then goes on and from the same page 9 we quote terms of settlement for a two year collective agreement between the parties were signed in Ottawa on June 14, 1966 end of quote. Stop

Nowhere in the cited terms of settlement is there any mention of either the establishment of another industrial inquiry commission and certainly nowhere in the terms of settlement cited by Judge Lippe is there any question of final and binding arbitration by special legislation or in any other way. Stop

These terms of settlement are shown to bear the date of June 14 1966 and they are signed by Judge Lippe and the others. Stop

We particularly draw your attention to page 13 of Judge Lippe's report which sets out quite clearly that on June 23rd or some ten days after the terms of settlement were signed, he, Judge Lippe, recommends to the Minister of Labour that there should be an industrial inquiry commission established concerning the size and structure of gangs and other matters and that the conclusions should be implemented by legislation. Stop

Since Judge Lippe was at all times present during the sessions in Ottawa and when the terms of settlement were drawn up and signed and he himself signed the terms of settlement and still found it necessary some ten days later to recommend the establishment of an industrial inquiry commission and special legislation, it is clear that Judge Lippe's report refutes those who have pretended that an industrial inquiry commission with a final and binding decision through the enactment of legislation was already agreed to some ten days before his report. Stop

No doubt the good ministers of the Crown in Ottawa will agree that Judge Lippe would not recommend on June 23rd something already agreed to on June 14 or before. Stop

Since we have already informed the Prime Minister and the Minister of Labour that the International Longshoremen's Association St. Lawrence River Ports Locals, as an affiliate of the Canadian Labour Congress, prefer to have you, President Jodoin, take up any difficulties or misunderstandings in order to avoid any further conflict in the concerned ports, this information is being sent to you.

Cutler Lamer Bellemare Burns Robert

Attorneys for I.L.A. Lawrence River Ports Locals

CANADIAN PACIFIC TELEGRAM

Jul. 5 2:30 p.m. '66

RAW4 521/507

RA Montreal Que 5 1205P EDT

The Hon. John R. Nicholson, Minister of Labour

Parliament Bldgs Ottawa O158

Copy of these telegrams sent to Mr. Claude Jodoin.

We have now received and we are sending you under separate cover a signed copy of the report sent by Judge Rene Lippe acting as commissioner of an industrial inquiry commission appointed in law by the Honourable John R. Nicholson, Minister of Labour. Stop

You will note that the report sets out in chronological order inter alia on page 9, and we quote a text prepared in close cooperation with officials of the Department of Labour end of quote for the establishment of a commission of inquiry to investigate the structure of gangs and other matters and we quote the text was acceptable to the federation but not to the association end of quote. Stop

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Minister of Labour that there should be an industrial inquiry commission established concerning the size and structure of gangs and other matters and that the conclusions should be implemented by legislation. Stop

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No doubt the good ministers of the crown in Ottawa will agree that Judge Lippe would not recommend on June 23rd something already agreed to on June 14 or before. Stop

Since we have already informed the Prime Minister and the Minister of Labour that the International Longshoremen's Association St. Lawrence river ports locals, as an affiliate of the Canadian Labour Congress, prefer to have you president Jodoin, take up any difficulties or misunderstandings in order to avoid any further conflict in the concerned ports, this information is being sent to you.

Cutler Lamer Bellemare Burns Robert, Attorneys for I.L.A. St. Lawrence river ports locals

CN TELECOMMUNICATIONS

Ottawa, July 7, 1966.

Mr. Claude Jodoin, President,
Canadian Labour Congress,
100 Argyle Avenue,
Ottawa

In reply to your telegrams of July sixth to the Prime Minister and to me I would say that the traditional opposition of organized labour and management to the practice of compulsory arbitration in disputes over interests as distinct from grievances affecting rights is well known and I appreciate and respect the basic considerations underlying this attitude Stop It is equally well known and documented in the settlement of some disputes that labour and management have resorted to arbitration on specific issues that cannot be settled otherwise and which stand in the way of complete settlement Stop Likewise labour and management have agreed to settlements which provide for binding arbitration within prescribed limits Stop Previous governments of Canada have enacted legislation providing for binding solutions Stop As you are well aware most of the issues involved in the recent longshore dispute were settled by agreement and those directly concerned realized that legislative action was necessary and was promised to solve the remaining issues and thus bring about a complete settlement Stop There is ample proof of this fact Stop As one instance, you will recall that on June thirteenth while you were present the Prime Minister read a statement to the ILA representatives concerning the two or possibly three issues remaining in dispute in which he suggested that the ILA drop its demand for the application of retroactivity to overtime and that the shipping federation accept the following proposal with respect to the four-hour recall *quote* that this item be submitted to the commission for examination and that the recommendation of the commission with respect to this item be binding in precisely the same way as the recommendation with respect to gang-size Stop The four-hour recall would then be dealt with and included or not within the contract in the manner specified by the commission *unquote* you will also recall that also in your presence the suggestions of the Prime Minister in this regard were later accepted by both parties.

John R. Nicholson
Minister of Labour

CN TELECOMMUNICATIONS

'66 Jul. 6 pm 4:54

1966 Jul. 6 pm 4:06

MOA320
MO GC113 57 1 ES FD Ottawa Ont 6 307P EDT—

Right Honourable Lester B Pearson, Prime Minister of Cda

House of Commons Ottawa Ont

As indicated to you during negotiations concerning the International Longshoremens Association I wish to reiterate to you that as a firm matter of policy the Canadian Labour Congress is unalterably opposed to any type of legislation indicating compulsory and binding arbitration. This type of legislation is completely contrary to democratic methods and to normal collective bargaining—

Claude Jodoin President CLC

CN TELECOMMUNICATIONS

1966 Jul 6 pm 4:05

MOA319
MO GC112 57/1 Ex Fd Ottawa Ont 6 307P Edt:
Honourable G R Nicholson, Min of Labour—
House of Commons Ottawa—

As indicated to you during negotiations concerning the International Longshoremens Association I wish to reiterate to you that as a firm matter of policy the Canadian Labour Congress is unalterably opposed to any type of legislation indicating compulsory and binding arbitration. This type of legislation is completely contrary to democratic methods and to normal collective bargaining—

Claude Jodoin President CLC

HOUSE OF COMMONS

Monday, July 11, 1966

The house met at 2.30 p.m.

GENERAL A. G. L. McNAUGHTON

TRIBUTES ON DEATH OF LATE PRIVY COUNCILLOR

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is my sad duty to announce to members of the house the death this morning of a member of Her Majesty's Privy Council, General A. G. L. McNaughton, after a career of continuous service to his country in war and peace, service of the greatest distinction, extending over more than 60 years.

The value to his country of General McNaughton's services was equalled only by the courage and unselfishness he always showed in performing those services. On the military side perhaps he was best known as the first commander of Canada's First Army overseas, and for the magnificent way in which he prepared that army for the great part it was to play in the liberation of Europe.

After the war, when General McNaughton had so richly earned rest and retirement, his activities if anything increased. Among other things he represented Canada very ably at the United Nations when our country was first elected to the security council. He also served with distinction for many years as chairman of the Canadian section of the International Joint Commission.

General McNaughton was always active and vigorous in public affairs, right up to the day of his death, especially in promoting what he considered to be right policies in the preservation and the development of our natural resources. In a very real sense he died in action and he would never have had it any other way. My own friendship with General McNaughton, which I shall always cherish, goes back for many years. He was a warm hearted, whole souled and high minded gentleman.

There was nothing mean or small about him, but much that was brave and good and wise. Canada has lost one of its most distinguished sons. I send my deepest sympathy to Mrs. McNaughton and the members of the family.

• (2:40 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I join with the Prime Minister in the expression of sympathy to General McNaughton's widow and the members of his family. He served his country in many capacities. During the first world war he gave distinguished service and through his initiative brought about changes in artillery warfare which are still being followed today. After the war he resumed his position in the scientific world and gave of his best.

During the period between the first and second world wars he continued to take an interest in the armed forces, and then took the Canadian army overseas. The circumstances in which he ceased to command that army in action will be for historians to determine. The Prime Minister mentioned the fact that he was a member of the Privy Council of Canada. I well recall the circumstances in which he assumed the position of minister of defence in succession to Colonel Ralston. During the period of his life in active politics he took stands which were not generally acceptable, but he was able to do so because of the great respect he had built up in the years of service to his country. I believe that when history writes the story of his life it will be said of him that, while he served well in many capacities, and combined as it were, two careers, that of science and that of the military, his outstanding contribution was his devotion to Canada in connection with those matters which came under his jurisdiction as the chairman of the Canadian section of the International Joint Commission.

To his widow and his family the condolences of this house will be conveyed. This was a Canadian who in his day and generation, whatever the differences and the difficulties may have been, followed the course that he determined was for the benefit of Canada.

Mr. T. C. Douglas (Burnaby-Coquitlam): The members of the New Democratic Party desire to join hon. members of all parties in paying tribute to General McNaughton and the very great services which he has rendered to this country. As hon. members know, he was born in Moosomin, Saskatchewan, and the people of that province always looked

upon him as one of their native sons who earned great distinction. They will always remember him with great pride.

As the commander of the Canadian army in the second world war he won the esteem and affection of the men who served under him. As minister of defence he gave this country great leadership. I owed a personal debt to him because while he held that office he arranged for me to visit Saskatchewan personnel overseas, and I shall never forget his many kindnesses to me on that occasion.

In the field of science, as head of the research council, he did valuable work for his country. As chairman of the Canadian section of the International Joint Commission I for one can testify to the effective way in which he upheld Canada's rights on the commission. I remember one or two disputes we had about conserving Canadian water, which was a very scarce commodity on the prairies, and because of the battle which he put up so effectively we were able to carry out programs which otherwise would have been impossible.

However, I think his most distinguished feature was that as he grew older in years he remained eternally young in spirit. In recent years he became the chief proponent in Canada of policies for the conservation of Canada's water resources, and while for a time it seemed he was a voice crying in the wilderness I think the aroused public interest in this question today is a credit to his tenacity and his foresight.

I am sure members in all parties in the house will want to join with the Prime Minister and the Leader of the Opposition, in conveying to Mrs. McNaughton, and the members of the General's family our deepest sympathy, along with an expression of our pride in one of the great Canadians of our generation.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, General McNaughton was unquestionably a great and, in every way, a distinguished Canadian.

The members of the Ralliement Créditiste join the right hon. Prime Minister in offering Mrs. McNaughton and her family their deepest sympathy. Many Canadians considered the general as their hero, and I am sure all of Canada mourns this great loss to the country.

[Mr. Douglas.]

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, there is no doubt that we all share a feeling of loss at the death of General McNaughton as we join in the expressions of sympathy that have been uttered by the right hon. Prime Minister and the other party leaders in the house. He was indeed a great soldier, a statesman, a scientist, a humanitarian, a Canadian of tireless energy and great intellectual capacity.

But what is more important, Mr. Speaker, is that in this day of conformity he dared to be an individualist. He held strong opinions and expressed them clearly and forcefully without waiting first to see which way the political wind was blowing. Those who knew him well and worked with him will remember his warm personality and will remember him as one whose insight into the needs of his country and whose powers of persuasion played a great role in preserving our national status.

General McNaughton never let the problems of a situation or the fatigue of advanced years thwart him from the duty at hand. Even after he had retired he continued to take an active role in public affairs. We sometimes had occasion to disagree with him, but we always respected him as a sagacious gentleman.

Historians will discuss his views for many years to come. His opinions on the second world war, his statements on the cold war, on our relationship with the United States, on our national water resources and on a host of other subjects will form the basis of many a learned debate. One thing is certain; he had the courage of his convictions and the more people we have like him the better off we will be. Canada has lost a great and devoted servant. Our deepest sympathy is extended to Mrs. McNaughton and the family, whose grief the nation shares.

• (2:50 p.m.)

EDUCATION

TABLING OF REVISED REPORT ON CONCEPT OF STUDENTS' NEEDS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, recently I have been asked a number of questions by hon. members concerning the procedures being followed by the provincial authorities in issuing certificates of eligibility to students to entitle them to loans under the Canada Student Loans Act. I thought it would be helpful to members of

the house if I tabled a copy of the approved revised report of the federal-provincial standing committee on the concept of students' needs. This was agreed to by representatives of all the participating provinces at a meeting convened by the Department of Finance on April 29 of this year. I therefore ask leave of the house to table two copies of this report in the original English version and in a French translation.

Mr. Speaker: Has the minister leave to table this report?

Some hon. Members: Agreed.

Mr. Sharp: It will be recalled that the statute passed in 1964 authorizes loans to be made to students who are certified by the appropriate authority in each participating province to be in need of a loan of a specified amount. The provincial governments have co-operated by designating such authorities in their provinces, thereby enabling our legislation to be effective. They have also integrated it in varying degrees with their own student aid programs which include many bursaries awarded after a careful appraisal of the needs of the various applicants.

The provincial authorities have felt, and we have agreed, that we should strive for as much consistency as possible among participating provinces in the practices and standards they apply in administering this program, recognizing, of course, the need for some flexibility to allow for special circumstances and conditions. With this in mind we have encouraged and assisted provincial representatives to meet together periodically, and representatives of the Department of Finance have met with them. We have recognized that under our legislation the provincial authorities have the authority and responsibility for determining the relative need of the various applicants for student loans and thereby ensuring a fair apportionment among students of the amount of guaranteed loans which parliament has authorized.

In view of the terms of our legislation all of us, the provinces and the federal government, have proceeded on the general basis that need must be taken into account, and we have endeavoured to co-ordinate and work out with the provinces sensible principles to be observed in doing this. The agreed principles are expressed in the report I have tabled.

It is of course necessary for the provincial authorities to translate these agreed principles into particular practices and forms. Although we are usually aware of the practices they follow, we do not have the authority or desire to tell them just what they should do.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, would there be agreement on the part of the minister and the house to have this report printed as an appendix to *Hansard*, because of the wide interest in dissemination of this information?

Mr. Speaker: Is it the wish of hon. members that the report in question be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of report referred to above, see Appendix "A".*]

COMMONWEALTH RELATIONS

TABLING OF DOCUMENTS FOLLOWING MEETING WITH CARIBBEAN COUNTRIES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in respect of the conference between Canada and the Commonwealth Caribbean countries which came to an end on Friday last, I should like to table the final communiqué of that conference together with the report of its economic committee and the text of the protocol modifying the Canada-West Indian trade agreement of 1925. Perhaps it would meet the wishes of the house if these documents were printed as an appendix to today's *Hansard*?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: For text of communiqué and other documents referred to above see Appendix "B".*]

AIR TRANSPORT

TABLING OF DOCUMENTS ESTABLISHING DIRECT SERVICE, MONTREAL-MOSCOW

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table the text of an agreement signed today between Canada and the Soviet union providing for direct air service between Montreal and Moscow, along with an exchange of letters on matters arising out of that agreement between the Minister of Transport of the Canadian government and the Minister of Civil Aviation of the government of the Soviet union.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Pearson: Mr. Speaker, perhaps hon. members would like to have this document also printed as an appendix to today's *Hansard*. If the house is agreeable, I so move.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am wondering whether we should be cluttering *Hansard* in this regard. It is my thought that all these documents should be printed in *Votes and Proceedings*, although a decision has been made in the other two cases.

Mr. Pearson: Mr. Speaker, if the house prefers to do that, it is agreeable.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think the original decision of the house appropriately meets the situation. If there is wide interest in these agreements should they not be printed in the document which receives the wider circulation? We think this should be appended to *Hansard*.

Mr. Speaker: Order, please. Is it my understanding that an order has been passed for the printing of these documents as an appendix to *Hansard*?

Mr. Diefenbaker: No.

Mr. Speaker: There appears to be no agreement as to the second document. The suggestion has been made by the right hon. Leader of the Opposition that the document referred to by the Prime Minister in his second statement be printed in *Votes and Proceedings*. There must be general agreement and as the hon. member for Winnipeg North Centre has indicated, he would prefer to have the document printed as an appendix to *Hansard* rather than in *Votes and Proceedings*.

Mr. Knowles: Mr. Speaker, I understand that the Prime Minister originally suggested that the document be appended to *Hansard* and that the Leader of the Opposition suggested an alternative. I think the Prime Minister's original suggestion is the better one.

Hon. Michael Starr (Ontario): Mr. Speaker, on this point of order, it is my understanding that the Leader of the Opposition suggested that the document be printed in *Votes and Proceedings*, to which the Prime Minister agreed. I think that was the agreement eventually arrived at.

[Mr. Pearson.]

Mr. Pearson: Mr. Speaker, I understand an order of the house was made in regard to the first appendix, and that the right hon. gentleman then expressed some concern that we would be "cluttering *Hansard*" by printing in *Hansard* this type of agreement. He suggested that perhaps the second agreement could be printed in *Votes and Proceedings* and I indicated that I was quite agreeable to that suggestion if it met the general desire of the house. I have no particular preference.

Mr. Speaker: Order, please. We should come to some agreement in this regard. It appears to me that the greater number of members prefer having this document printed in *Votes and Proceedings*.

Some hon. Members: No.

Mr. Speaker: Order, please. In that there is no agreement and there can be no printing as suggested unless a motion is put and a vote taken, no action will be taken.

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

REFERENCE TO COMMITTEE OF REPORTS, BUDGET, ETC.

On the order:

July 8—The Minister of Transport—the following proposed motion:—that the annual reports for 1965 of the Canadian National Railways and of the Canadian National Railways Securities Trust, both tabled on April 20, 1966, the auditor's report to parliament for 1965 in respect of the Canadian National Railways, tabled on May 12, 1966, the budget for 1966 of the Canadian National Railways, tabled on April 20, 1966, the annual report of Air Canada for 1965, the auditor's report to parliament for 1965 in respect of Air Canada, both tabled on March 29, 1966, and the budget for 1966 of Air Canada, tabled January 18, 1966, be referred to the standing committee on transport and communications.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders later this day or at the next sitting of the house.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if there is unanimous agreement and no one wants to debate this purely formal motion perhaps it can be adopted now. I do not think we want to embark on a debate at this time.

Mr. Speaker: Is that agreeable?

Some hon. Members: Agreed.

Mr. Pickersgill moved:

That the annual reports for 1965 of the Canadian National Railways and of the Canadian National Railways Securities Trust, both tabled on April 20, 1966, the auditors' report to parliament for 1965 in respect of the Canadian National Railways, tabled on May 12, 1966, the budget for 1966 of the Canadian National Railways, tabled on April 20, 1966, the annual report of Air Canada for 1965, the auditor's report to parliament for 1965 in respect of Air Canada, both tabled on March 29, 1966, and the budget for 1966 of Air Canada, tabled on January 18, 1966, be referred to the standing committee on transport and communications.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ASSISTANCE FOR EXHIBITION BUILDING, ANTIGONISH, N.S.

Question No. 894—**Mr. Muir (Cape Breton North and Victoria):**

Has approval been given to government assistance in the construction of a multi-purpose exhibition building for Antigonish, Nova Scotia?

Hon. J. J. Greene (Minister of Agriculture): No.

C.B.C. BROADCASTING ON HIGHWAY SAFETY

Question No. 1,156—**Mr. Noble:**

How much broadcast time containing Canadian material has been allocated by C.B.C. Radio and C.B.C. TV during the past two years to matters of highway safety?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Canadian Broadcasting Corporation that approximately 100 hours were broadcast on C.B.C. radio networks and stations and approximately 75 hours on C.B.C. television networks and stations, predominantly in the form of brief public service announcements.

HALIFAX—OVERDUE PAYMENTS IN LIEU OF TAXES

Question No. 1,162—**Mr. Forrestall:**

1. Are there any payments overdue to the city of Halifax on behalf of the National Harbours Board, the Canadian National Railways, and other government agencies, in lieu of taxes for each of the past 3 years and the present year?

2. If any such payments are overdue (a) how long have they been overdue (b) in what amounts (c) on behalf of which agency of government?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Finance and Transport as follows:

Questions

1. Payments in lieu of taxes are *ex gratia* in nature and cannot be described as overdue inasmuch as no legal liability has been incurred in respect of them. The various federal agencies operating in Halifax do pay annual grants in lieu of taxes to municipalities. Efforts are made to have the payments effected during the financial year of the municipality to which they relate. However, it is not always possible to settle grants before the end of the municipality's financial year. In the city of Halifax, the amounts of the grants in respect of 1965 and 1966 have not yet been finally determined or paid by one agency, i.e., the National Harbours Board. Payments in respect of 1964 and 1963 have been settled in all instances.

2. The payment of grants in lieu of taxes in so far as the National Harbours Board is concerned for the calendar years 1965 and 1966 have been delayed due to the time required to determine the amounts payable under a new formula which increases the grants. However, an interim payment for the year 1965 has been made in the amount of $148,350 to the city of Halifax and the remainder will be paid as soon as the necessary assessment values and calculations have been determined to fix the exact amount of the grant. All grants have been made up to and including 1964 and an interim payment for the year 1965.

INQUIRY AS TO DETENTION OF ERIC SCHMIDT

Question No. 1,416—**Mr. Lambert:**

1. Had the Government of Canada been advised of the detention of a Canadian citizen, Eric Schmidt, of Edmonton, Alberta, by the authorities of the German Democratic Republic prior to his release in 1965 after 75 days of incarceration?

2. If so, what representations did the government make, if any, to ascertain the reasons for this detention and to assure the earliest possible release of Mr. Schmidt?

3. Does the government now propose to file protest with the German Democratic Republic or some other appropriate authority if it deems the detention to have been illegal?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. No. The first information we had regarding this matter was that contained in an article which appeared in the *Telegram*, Toronto, May 4, 1966 following Mr. Schmidt's return to Canada.

2. See 1 above.

3. The Canadian Government does not recognize the East German regime and maintains no diplomatic relations with it. If it were

decided to pursue a matter of this kind it would be necessary to take it up through the Soviet occupation authorities. The Department of External Affairs is writing to Mr. Schmidt to invite him to provide a report on his arrest in East Germany, following which the department will consider whether further action may be warranted in the circumstances.

[*English*]

PROTEST TO RUSSIA RESPECTING TREATMENT OF JEWS

Question No. 1,610—**Mr. Diefenbaker:**

Will the government of Canada make an official protest to the U.S.S.R. regarding the investigations imposed upon or suffered by Jewish citizens in the U.S.S.R., which by discriminatory measures deny Jews the full right to practise their religion in freedom?

Hon. Paul Martin (Secretary of State for External Affairs): The government of Canada has many times expressed its concern about violations of human rights wherever and whenever they occur in any part of the world.

In seeking the best means of helping to bring these violations to an end, it is obviously necessary to take account of all the relevant circumstances. The carefully considered judgment of the government at the present time is that representations on this subject beyond those already made would be considered if it is established that such action would be in the best interests of those most directly concerned.

DEPARTMENT OF INDUSTRY STAFF

Question No. 1,631—**Mr. Saltsman:**

1. What is the total staff of the Department of Industry?

2. How many of these are professionally trained in the fields of economics, law, business administration, engineering, accounting and planning?

3. How many of these have post graduate training?

4. What are the salaries in each of these fields in the department?

5. What vacancies exist in each of these fields in the department?

6. Is it the intention of the department to enlarge its staff?

7. How many of the staff are engaged in economic research and planning?

8. What research projects are in progress by the department?

Hon. C. M. Drury (Minister of Industry):

1. 435.

2. 144.

[Mr. Martin (Essex East).]

3. 65.

4. $8,135 to $27,000.

5. The present officer vacancy in the department is 104. The particular types of training mentioned in question 2 form the basic qualifications for the general class of industrial development analysts which form the basic officer strength in the department.

6. The department is carrying out a continuing recruiting program in an attempt to fill the approved establishment.

7. The number of staff engaged in economic research and planning is 23. In addition to those directly engaged as economists, a considerable portion of the time of other officers is used in the collection and assembly of data necessary for the economic studies of the various industries.

8. Research studies in progress consist of studies of regional growth, studies of productivity, studies of the various industries from the standpoint of structure, competitiveness in domestic and export markets, costs, productivity, profitability and the effect of government policies including tariffs and taxation, and import analysis.

GRANT TO CRIMINOLOGY CENTRE, TORONTO UNIVERSITY

Question No. 1,692—**Mr. Starr:**

1. Has the federal government either directly or indirectly provided for a grant for the centre of criminology at the University of Toronto?

2. If so, how much has been disbursed to date and what further amount of grant is to be made?

Hon. Lucien Cardin (Minister of Justice):

1. Yes.

2. A grant of $40,000 was provided in the Department of Justice estimates for 1964-65. It was paid in full on April 12, 1965.

DRUG PURCHASES BY FEDERAL MEDICAL CENTRES

Question No. 1,696—**Mr. Isabelle:**

1. Do hospitals and medical centres under federal jurisdiction buy drugs under their generic names or under their brand names?

2. What is the percentage of each?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Defence Production is concerned:

1. Yes. The Department of Defence Production purchases drugs under their generic names and brand names for the Department of National Defence.

2. Generic names, 95 per cent; brand names, 5 per cent.

In so far as the Department of National Health and Welfare is concerned:

1. The bulk of the drugs used in the hospitals and treatment centres of the Department of National Health and Welfare are purchased under generic name. Some purchases are made by brand name to accommodate the requirements of certain fee for service physicians, who refuse to prescribe or use pharmaceuticals produced by what are to them unknown manufacturers.

2. It is estimated that 85 per cent of the drugs used are purchased by generic name and 15 per cent by brand name.

In so far as the Department of Veterans Affairs is concerned:

1. Drugs are purchased by the Department of Veterans Affairs under both generic names and brand names. Under departmental policy drugs are to be requested by generic names wherever possible, although trade names may also be used for purposes of identification or where one brand of drug may be available from only one source of supply.

2. It is estimated that 65 per cent of the drug purchases by the Department of Veterans Affairs are made under brand names and 35 per cent under generic names.

CONSTRUCTION OF CORRIDOR ROAD THROUGH U.S.

Question No. 1,702—**Mr. Coates:**

1. Have any negotiations or discussions taken place between the government of Canada and the government of the United States with regard to the construction of a corridor road between the province of New Brunswick and the province of Quebec and, if so, what has been the result of these discussions?

2. Has a proposal been made by the government of the United States to the government of Canada indicating a willingness by the government of the United States to construct a corridor road from New Brunswick to Maine, New Hampshire and Vermont to the New York state throughway in exchange for Canada paving the Alaska highway and, if so, what has been the reaction to this proposal?

Hon. Paul Martin (Secretary of State for External Affairs): 1. No such negotiations or discussions have taken place.

2. No such proposal has been received.

HIGHWAY SAFETY PROMOTION

Question No. 1,708—**Mr. Noble:**

Has the government taken any action in regard to the promotion of highway safety and, if so, what action?

Hon. C. M. Drury (Minister of Industry): Yes.

In so far as the Departments of Defence Production and Industry are concerned:

1. The Canadian government specifications board has prepared a draft automotive vehicle safety code in collaboration with the Canadian Good Roads Association and the traffic injury research foundation. The draft has been submitted for critical review to a committee consisting of representatives of the provinces, the motor vehicle manufacturers, safety groups, the medical profession and others. A revised draft is now being prepared.

2. The government has undertaken to include all available safety features in the specifications governing the procurement of conventional type vehicles for both civilian departments and the military.

3. Two consultants have been engaged; one to assist on the automotive safety code and the other to conduct research studies.

4. Consideration is being given to what other steps the federal government can usefully take in the light of the constitutional position and the relative responsibilities of the provinces and the government in this area.

APPLICATIONS FOR EXEMPTION UNDER LABOUR CODE

Question No. 1,733—**Mr. Dionne:**

Have any Canadian employers submitted requests for deferment of the operation of the labour code in their undertakings and, if so (a) who are they (b) what reasons were given by such employers for requesting deferment of the operation of the labour code and of the regulations made thereunder (c) were all requests submitted by the different employers granted (d) if not, what are the names of the employers whose requests were refused?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Yes. Deferment can only be granted with respect to the operation of part I and section 11 of part II of the Canada Labour (Standards) Code.

(a) Lists of employers who have applied for deferment of the operation of part I and section 11 of the Canada Labour (Standards) Code can be found in part I of the Canada *Gazettes* of: August 28, 1965 at page 2,831 and page 2,860; September 25, 1965 at page 3,119 and page 3,160; October 9, 1965 at page 3,293 and page 3,325; October 16, 1965 at page 3,366 and page 3,388; October 23, 1965 at page 3,427 and page 3,459; October 30, 1965 at page 3,503

and page 3,534; November 6, 1965 at page 3,618 and page 3,656; November 13, 1965 at page 3,702 and page 3,752; November 20, 1965 at page 3,807 and page 3,844; December 4, 1965 at page 3,994 and page 4,031; December 11, 1965 at page 4,071 and page 4,111; December 25, 1965 at page 4,211 and page 4,243; January 1, 1966 at page 19 and page 32; January 29, 1966 at page 355 and page 377; February 12, 1966 at page 521 and page 547.

(b) The introduction of the standard hours of work or the maximum hours of work under part I

(i) would be or is unduly prejudicial to the interests of the employees therein or to any class of employees therein, or

(ii) Would be or is seriously detrimental to the operation of the federal work, undertaking or business.

The immediate introduction of the minimum wages under part II

(i) Would unduly prejudice the interests of the employees therein or any class of employees therein, or

(ii) Would be seriously detrimental to the operation of the federal work, undertaking or business.

(c) No.

(d) Under section 52 of the following submissions have been rejected before June 20, 1966:

Royal Bank of Canada; Canadian Pacific Railway, Canadian National Railway and Northern Alberta Railways; Bank of Nova Scotia; Bank Provincial du Canada; Canadian Imperial Bank of Commerce; Toronto Dominion Bank; Canadian Pacific Great Lakes Steamships Company; Canadian National Railway Hotels; R. J. De Nure Trailways Limited; Gray Coach Lines Limited; McNaughton Bus Lines Ltd; Mystery Lake Broadcasting Ltd.; Mr. R. F. Welch on behalf of R. F. Welch Ltd. and R. F. Welch (British Columbia Limited); Hudson's Bay Co.; Le Syndicat National Des Debardeurs de La Baie Des Ha! Ha!; Eastern Canada Shipping Ltd.; Rail and Water Terminal Ltd.;

Under section 51 the following submissions have been rejected before June 20, 1966:

CJPM—TV Inc.; CKTR (1958) Ltee.; The Galt Broadcasting Company Limited; La Tribune Inc.

[Mr. Mackasey.]

EUROPEAN STUDENTS WOULD COME TO WORK IN CANADA

Question No. 1,734—**Mr. Dionne:**

Did any European students come during 1965 and 1966 to work on fruit or tobacco farms in Ontario or in other provinces under an agreement with the Department of Citizenship and Immigration and, if so (a) how many (b) on what conditions?

[*Translation*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): No such students came forward in 1965 or thus far in 1966. However, the Department of Citizenship and Immigration has approved the temporary entry of the following student groups for 1966.

(i) 340 Belgian university students for work on Southwestern Ontario tobacco farms owned by Belgian Canadians. The movement is sponsored by the Belgian in The World Association which will be fully responsible for transportation, employment, welfare and all other matters involving the students during their stay in Canada from August 1st to mid-September, 1966. The Delhi Belgian Club and the Sacred Heart Church, Langton, Ontario will assist with the placement on farms.

(ii) 66 Austrian university students for work on Ontario tobacco farms. The movement is sponsored by the Ontario Flue-Cured Tobacco Growers Marketing Board of Tillsonburg. The Board has guaranteed employment from August 1st to September 15th, 1966 at a rate of $16 a day plus room and board. The Board has also guaranteed accommodation for the students. The students will make their own arrangements for hospital and medical coverage while they are in Canada and will be responsible for their own transportation.

(iii) 150 French university students for work on Ontario tobacco farms. The movement is sponsored by the Ontario Flue-Cured Tobacco Growers Marketing Board of Tillsonburg under exactly the same terms and conditions which apply for the Austrian students.

[*English*]

MAPLE LEAF SERVICES

Question No. 1,738—**Mr. Madill:**

1. Who receives the one dollar ($1.00) per car being charged by the Department of National Defence for stickers for employees bringing on base their cars which are supposed to have been inspected by Maple Leaf Services?

2. Who receives the fifty (50) cents per sticker that is put on each vehicle by Maple Leaf Services?

3. Are the men performing this vehicle safety check licensed mechanics or qualified, as required by the Department of Transport?

4. Is an annual statement made public of the business transactions and disbursements of Maple Leaf Services operating on Department of National Defence bases?

5. Why are the businesses leasing from Maple Leaf Services not forced to pay commercial and business taxes to the townships in which they are located when the department gives a grant in lieu of taxes to those municipalities?

6. Do the rates of pay to employees of Maple Leaf Services meet that of the National Labour Code?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. The Department of National Defence does not charge or receive $1 per car for stickers. However, this sum is charged by Maple Leaf Services at Canadian forces base Borden for the service performed in carrying out a safety check of a vehicle and is actually at or below cost. A vehicle owner is not obliged to have the service carried out by Maple Leaf Services but may have his vehicle safety check done at any of the free check points maintained by the Ontario Department of Transport throughout the province.

2. The charge of 50 cents per sticker is not levied by Maple Leaf Services. Upon proof of having passed the vehicle safety check and of having insurance coverage on a vehicle, military and civilian vehicle owners employed at Canadian forces base Borden are issued with a permanent vehicle base pass in the form of a sticker which is placed on the windshield. This money is administered by the base military authorities and is used to cover the cost of the stickers and administrative costs related thereto. The issue of a permanent pass is general practice at most military bases, although the type of sticker and the charge may vary.

3. Yes.

4. Yes.

5. The position of a business operating under a lease from Maple Leaf Services is no different from any other business. As such the lessee is liable to comply with all federal, provincial and municipal laws, regulations and ordnances relating to taxation and assumes complete and sole liability to do so under the terms of the lease agreement. The application of grants to the municipality is not relevant.

6. Maple Leaf Services pays their employees according to provincial requirements; however, the question as to whether M.L.S. comes under the Canada Labour (Standards) Code is one which is now receiving consideration by M.L.S. and the appropriate federal government departments concerned.

RECOMMENDATIONS RESPECTING BREATHALIZER TESTS AND EXHAUST CONTROL DEVICES

Question No. 1,764—**Mr. Noble:**

Does the government plan on taking early action on the recommendations made June 21, 1966, by the special fifty-member committee of government officials and safety experts, especially in making the breathalizer test mandatory and the requiring of pollution control devices for motor vehicle exhaust systems?

Hon. C. M. Drury (Minister of Industry): The government is giving consideration to the recommendations made by the Canadian government specifications board committee on the automotive vehicle safety code held on 20-21 June 1966.

1. In so far as making the breathalizer test mandatory is concerned, the recommendation regarding the principle of implied consent respecting breathalizer testing is being referred to provincial authorities by the committee.

2. The recommendation to amend the Criminal Code making it a criminal offence to operate a vehicle while the alcohol content of the operator's breath exceeds a specified limit, as determined by the breathalizer test, is being referred to the Department of Justice and to the chairman of the standing committee on justice and legal affairs that is now studying Bill C-87.

In so far as requiring of pollution control devices for motor vehicle exhaust systems is concerned, the committee recommended that the standard for the pollutants omission control be deleted from the proposed standards because: (a) It is not yet agreed that this is indeed a safety device. (b) The Department of National Health and Welfare is making a detailed study of the problem of air contamination in close consultation with their counterparts in the United States.

*AMOUNTS PAID JOINT CHAIRMEN OF B AND B COMMISSION

Question No. 1,768—**Mr. Madill:**

What was the total amount paid for (a) honoraria (b) travelling expenses, living expenses, and other expenses, to Mr. Dunton and Mr. Laurendeau, the joint chairmen of the Royal Commission on Bilingualism and Biculturalism, in each year since the inception of the commission?

Questions

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am informed by the royal commission as follows:

(a) Honoraria: Mr. Laurendeau, co-chairman and chief executive officer of the commission working full time since the beginning of 1964-65 on commission business received $10,200 in 1963-64, $21,800 in 1964-65, $20,400 in 1965-66, and $3,500 to the end of May 1966. Mr. Dunton, co-chairman, received $7,750 in 1963-64, $13,450 in 1964-65, $11,150 in 1965-66, and $1,950 to the end of May 1966. (b) Travel expenses: Mr. Laurendeau, who is resident in Montreal and receives travel expenses for time spent on commission business away from that city, received $1,887.50 in 1963-64, $4,354.42 in 1964-65, $3,730.93 in 1965-66, and $305.55 to the end of May 1966. Mr. Dunton, resident in Ottawa and receiving travel expenses while on commission business away from that city, received $439.95 in 1963-64, $2,133.60 in 1964-65, and $1,467.75 in 1965-66.

IMMIGRATION APPLICATIONS FROM COMMUNIST AND NON-COMMUNIST COUNTRIES

Question No. 1,772—**Mr. Allmand:**

1. What percentage of applicants for admission to Canada from communist countries were actually admitted during 1963, 1964 and 1965?

2. How does this percentage compare with the equivalent average of applicants from non-communist countries?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration):

1 and 2. Information not available.

CLOSING OF UNEMPLOYMENT INSURANCE OFFICES, PRAIRIE PROVINCES

Question No. 1,777—**Mr. Olson:**

Does the Unemployment Insurance Commission intend to close any of its present offices in the provinces of Alberta, Saskatchewan or Manitoba and, if so (a) how many (b) what are the names of cities or towns where offices will be closed (c) what arrangements are to be made for U.I.C. service in the cities or towns where the offices will be closed (d) in the case of each office that will be closed, which remaining office will serve the area?

Hon. J. R. Nicholson (Minister of Labour): I am informed by the Unemployment Insurance Commission that it has decided to close some offices in the provinces of Manitoba and Saskatchewan.

(a) Three. (b) Portage la Prairie, Manitoba; Swift Current, Saskatchewan; North Battleford, Saskatchewan.

(c) Service will be provided by mail through the offices referred to in (d).

(d) Winnipeg will service the Portage la Prairie area; Regina will service the Swift Current area and Saskatoon will service the North Battleford area.

APPLICATIONS UNDER SMALL BUSINESSES LOANS ACT

Question No. 1,779—**Mr. Coates:**

1. How many applications have been approved under the Small Businesses Loans Act in the years 1963, 1964 and 1965, and what was the total amount loaned under the act in each of those years?

2. What was the breakdown by provinces and the total amounts loaned in each of them for each of the years in question?

Hon. Mitchell Sharp (Minister of Finance):

1.

	1963	1964	1965
Number of loans	2,558	2,847	2,835
Amount of loans	$23,279,517	$26,534,207	$26,033,094

2.

	1963		1964		1965	
Province	Number of loans	Amount of loans	Number of loans	Amount of loans	Number of loans	Amount of loans
British Columbia	309	$ 2,763,773	401	$ 3,768,254	456	$ 4,364,580
Alberta	255	1,946,661	294	2,533,237	300	2,504,852
Saskatchewan	166	1,228,778	234	1,976,319	257	2,199,186
Manitoba	127	943,527	143	1,137,445	138	964,946
Ontario	836	7,430,179	901	8,140,100	873	7,605,559
Quebec	714	7,602,141	722	7,462,553	628	6,824,475
New Brunswick	46	415,589	52	526,736	63	550,350
Nova Scotia	72	696,095	61	569,281	79	661,946
Prince Edward Island	18	132,929	22	223,529	27	209,189
Newfoundland	15	119,845	17	196,753	14	148,011
	2,558	$23,279,517	2,847	$26,534,207	2,835	$26,033,094

*EXCHANGE OF PUBLIC OFFICIALS TO PROMOTE BILINGUALISM

Question No. 1,799—**Mr. McCleave:**

Has the Prime Minister or anybody on his behalf written to any assistant deputy ministers or others at top levels in the civil service to inquire whether they would move to Quebec temporarily to perfect their bilingualism?

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): As recently announced, the Prime Minister has written to all ministers asking them to send nominations of senior officials from the department and agencies under their control, from which could be met the initial requirements for the 1966-67 term of the program to promote bilingualism in the public service. Under this program, as the Prime Minister announced in the house on April 6, 1966, a number of senior officials plus their families will spend a 12-month period in Quebec city in the case of English speaking public servants, and in Toronto in the case of French speaking public servants. In this way they may devote their full time to becoming proficient in the second official language of the country and to obtaining a better understanding of the cultural values of the community they will be visiting.

*EXCHANGE OF PUBLIC OFFICIALS TO PROMOTE BILINGUALISM

Question No. 1,816—**Mr. McCleave:**

Has the prime minister or anybody on his behalf written to any assistant deputy ministers or others at top levels in the civil service to inquire whether they would move to Toronto temporarily to perfect their bilingualism?

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): As recently announced, the Prime Minister has written to all ministers asking them to send nominations of senior officials from the departments and agencies under their control, from which could be met the initial requirements for the 1966-67 term of the program to promote bilingualism in the public service. Under this program, as the Prime Minister announced in the house on April 6, 1966, a number of senior officials plus their families will spend a 12-month period in Quebec city in the case of English speaking public servants, and in Toronto in the case of French speaking public servants. In this way they may devote their full time to becoming proficient in the second official language of the country and to obtaining a better understanding of the cultural values of the community they will be visiting.

SUPERINTENDENT OF WOMEN'S PRISON, KINGSTON

Question No. 1,821—**Mrs. MacInnis (Vancouver-Kingsway):**

1. On what date will an appointment be made of a permanent superintendent for the women's prison at Kingston?

2. How many applications have been received to date?

3. Will the superintendent chosen be a woman?

Hon. L. T. Pennell (Solicitor General): 1. An appointment will be made as soon as a suitable candidate is found.

2. 12.

3. Yes, if at all possible.

FEMALE PRISONERS, MATSQUI INSTITUTION

Question No. 1,822—**Mrs. MacInnis (Vancouver-Kingsway):**

1. How many women prisoners are expected to arrive at the Matsqui institution for drug addicts in July, 1966?

2. How many of these are being transferred from the women's prison at Kingston?

3. How many of these have signified their desire to be transferred?

Hon. L. T. Pennell (Solicitor General): 1, 2 and 3. 10.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT OWNED AIRCRAFT AND VESSELS

Question No. 1,390—**Mr. Godin:**

1. What is the number of Canadian-owned (a) aircraft (b) vessels?

2. For each department of the Government of Canada (a) how many aircraft and vessels are attached to their services (b) what is the annual maintenance cost for these aircraft and vessels?

Return tabled.

JUDGES PARTICIPATING IN BOARDS AND COMMISSIONS

Question No. 1,632—**Mr. Fairweather:**

1. During each of the years 1963, 1964 and 1965, how many judges appointed by Canada were engaged in extra duties, e.g., presiding over boards and commissions either part time or full time?

2. What are the names of these judges and in what province or judicial district have they jurisdiction?

3. Is consideration being given to recruiting people from outside the judiciary for this responsibility?

Return tabled.

Questions

REVIEW PROCEDURE, EMPLOYMENT SERVICE OFFICER

Question No. 1,644—**Mr. Saltsman:**

1. Has a review procedure been established for the employment service officer series in the Department of Citizenship and Immigration and, if so (a) have any reviews been carried out to date (b) will those who have not qualified be given the reasons why they did not qualify (c) have such reviews resulted in any departmental recommendation to the Civil Service Commission for consideration (d) will those who failed be appraised for lower grade employment service officer positions (e) when will this be done (f) will those who failed be transferred or will they fill positions of a higher grade at a lower level etc. (g) what are the standards against which those being examined were assessed at the various levels (h) to what extent was past performance a factor in making selections?

2. Has a plan been implemented of employment service officer results with respect to salary levels in order to distinguish between persons going from E.O. 1 and E.O. 2 to the E.S.O. 2 level, and persons going from the minimum and maximum of their present levels to the new levels and, if so, have veterans' preferences been taken into consideration?

3. Is it the policy of the department to ask managers not to join staff associations?

Return tabled.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise in connection with the delays in the answers to questions. It is not defence on the part of the government to contend that it has answered a great many questions; the number of questions answered does not begin to compare with those in the parliament at Westminster. There has been dilatoriness and worse in connection with some of these questions.

Now we are approaching, as we hope, the time of recess, I want to point out to you, sir, some of these questions to which, for reasons known to the government, answers are not being given. I am not going to read them except in the case of two or three. Question No. 587 has been on the order paper since February 10. There is no difficulty about that question whatsoever. It concerns the C.B.C. The next question is No. 1,156. This question has been on the order paper since March 24. Again it concerns the C.B.C.

Then we come to starred questions. What is the purpose of a starred question? It is simply to get an answer immediately. Yet question No. 1283 has been on the order paper since April 6. Surely this is an unnecessary delay. I am passing over many with regard to which the government might have reasons for delay, but question No. 1,457 is a simple one:

Has a request been received by the federal government, or the Atlantic Development Board, from the government of the province of Newfoundland for additional assistance in the doubling of the size of the Baie d'Espoir power development—

[Mr. Fairweather.]

Surely there is no excuse for this house waiting for two months for an answer to that question. Then there is starred question No. 1,500. This is another of the questions connected with the C.B.C., regarding which for some reason there is difficulty in the Secretary of State bringing forward even reasonably delayed answers. The question is:

Has any member of the present cabinet, during the past three years, received an honorarium or fee from the Canadian Broadcasting Corporation for appearances on television or radio?

That is not a difficult question. Certainly it would not take long to ascertain which of the ministers, if any, have even approached a contravention of the House of Commons Act. Then there is starred question No. 1,668. Almost a month ago I asked:

Will the government set aside a day during the centennial year, 1967, to be known as "National Indian Day"—

I have received no answer to that question. Then there is question 1,760, which was placed on the order paper on June 21. It is a starred question asked by myself:

Is the government giving consideration to enactment in the Criminal Code of guide lines respecting police interrogation of suspected wrongdoers—

And so I might go on. There have been unnecessary delays in answering these questions. I raise this point at the moment in a desire to co-operate. When oral questions are asked Your Honour often says they should be placed on the order paper and we always defer to that ruling. But the delay involved in answering some of these questions indicates that they have become mummified.

• (3:10 p.m.)

TRANSPORT

ST. LAWRENCE SEAWAY—HOUSE CONSIDERATION OF TOLL INCREASES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Minister of Transport. A week ago the minister declined to make public the recommendation made to him by the St. Lawrence Seaway Authority in respect of tolls on operations of the St. Lawrence seaway. Will the minister assure the house that no increase in tolls will be authorized during the vacation period by order in council and before this house has further opportunity to discuss the matter fully?

I ask that question in view of the fact that those of us sitting on this side of the house have, I think without exception, taken a strong stand against any increase, which will have a serious and detrimental effect on Canada.

Hon. J. W. Pickersgill (Minister of Transport): I also read Mr. Fraser Robertson's article—

Mr. Diefenbaker: What did he say?

Mr. Pickersgill: —and I take some exception to the allegation that I was in contempt of this house in suggesting that although a statutory date is set for the report to the government by the seaway authority, it would not be advisable to make that report public while there was still an opportunity of negotiations continuing which would lead to a joint understanding with the United States. I think this is a wholly responsible attitude on our part, and I am sure the right hon. gentleman would have taken it had he been on this side of the house.

Any change in tolls will not come into effect before the opening of navigation in 1967, and I have no hesitation whatsoever in saying that no action will be taken by the government until an announcement is made in this house.

I think it is very important that an announcement be made, that the government should take whatever responsibility it is required to take, and that the house should hold the government responsible for doing so. At the same time let me point out that the right hon. gentleman was in this house, although I was not, when the St. Lawrence Seaway Authority Act was passed, so he knows perfectly well—and I am sure he was one of those who supported it—that that act requires the government and the seaway authority to impose a level of tolls which will amortize that investment. That is the law of Canada, and the government would be in real contempt of parliament if it defied the law. That is my interpretation at least of my responsibilities.

Mr. Diefenbaker: Will the minister answer just this one question. Will he give the House of Commons an opportunity to discuss this matter before the government makes its order, as it will be too late to discuss it afterwards?

Mr. Pickersgill: I am not sure Mr. Speaker, that the government makes an order. Of course I am not a lawyer like the right hon. gentleman; however, I will assure the right hon. gentleman that the government will assume its responsibility in this matter before the house in a conscientious manner. We are answerable to the house and if what we do is not the wish of the house, a remedy is open to all hon. members under our system of responsible government.

Mr. Diefenbaker: That means the rates will go up.

Hon. George Hees (Northumberland): On a supplementary question, Mr. Speaker, has the minister been advised by his officials that the United States government is strongly opposed to raising the tolls on the St. Lawrence seaway?

Mr. Pickersgill: Unlike the hon. gentleman who, when he was over here, dealt with one country in the western hemisphere that way, I prefer not to say what will be the attitude of any other country during the course of negotiations.

Mr. Speaker: The hon. member for Red Deer.

Mr. Thompson: The hon. member for Northumberland asked the question which I had in mind, Mr. Speaker.

COMMONWEALTH RELATIONS

CANADIAN AID TO CARIBBEAN COUNTRIES—CHANGES IN TRADE ARRANGEMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to ask the Prime Minister whether he has any additional comments to make regarding the communiqué he has just tabled respecting the meeting which was held in Ottawa with the Commonwealth Caribbean countries. I wish to ask the Prime Minister in particular whether the $65 million spread over five years represents a marked increase over what was originally planned and, if so, how much? I also wish to ask the Prime Minister whether the latter part of paragraph 8 means that this is still an open-ended figure and that Canada would be prepared to give greater assistance to the Caribbean countries if the situation seemed to warrant it?

Right Hon. L. B. Pearson (Prime Minister): The amount that is mentioned in the communiqué, and emphasized as such, is a minimum amount. It is also stated in the communiqué that if our external aid appropriations are generally increased by parliament, as we hope will be the case because it

is the responsibility of this house, then the aid to the Commonwealth Caribbean countries will go above the minimum amount which is stated in the communiqué as being $65 million. We expect that the Commonwealth Caribbean countries will all share in any increase over that minimum.

Mr. Douglas: I have a supplementary question, Mr. Speaker, regarding another statement in which the Canadian government had indicated its willingness to work toward an effective international sugar agreement. I wish to ask either the Prime Minister or the Minister of Finance whether the idea of an international sugar agreement will now be extended not only to the Caribbean countries but to a number of other countries. The Minister of Finance will remember that two years ago I asked the government whether they would be prepared to follow the example of the United States and the United Kingdom and enter into a long term sugar agreement. At that time the price was high; now it is the lowest in a hundred years.

Mr. Speaker: Order. Will the hon. member ask his question?

Mr. Douglas: My question is whether this is the first step toward a general international sugar agreement and, if so, when does the minister expect to bring it down?

Hon. Mitchell Sharp (Minister of Finance): Canada has been supporting very vigorously the conclusion of an international sugar agreement, but the step that was taken at the conference with the Caribbean countries of the Commonwealth is not directly related thereto. It is a special convention to establish free trade in sugar between Canada and these Caribbean countries. This will remain regardless of any other agreements which might be negotiated subsequently.

Mr. Thomas M. Bell (Saint John-Albert): This is a supplementary question, Mr. Speaker. I wish to ask the Minister of Finance how these trade arrangements will be implemented by parliament. Will it be done by ratification of the protocol or by the introduction of new tariff items?

Mr. Sharp: The method of implementing the special arrangements with regard to sugar has not been decided upon, partly because it will be necessary to go before the GATT and ask for a waiver and follow some other procedure before they can become effective. However, I expect the changes will be incorporated into the tariff.

[Mr. Pearson.]

Mr. Bell (Saint John-Albert): I have a further supplementary, Mr. Speaker, with respect to these trade changes. Desirable as these changes may be for the improvement of trade relations, will the minister give us an assurance that parliament will be given an opportunity to express itself? I ask this because the eastern Canadian ports are worried that the removal of restrictions may have an adverse effect on their competitive position. Can the minister tell us whether this matter will be discussed in parliament and whether these agreements will be implemented by a ratification of the protocol or by the introduction of new tariff items?

Mr. Sharp: The changes that have been made in the trade arrangements between the Caribbean countries of the Commonwealth and Canada have been incorporated into the protocol. So far as they require changes in the law—for example the change in the tariff on sugar—they would certainly come before parliament for approval. So far as the transshipment clause of the Commonwealth preference is concerned, I cannot speak with full authority. My colleague the Minister of National Revenue believes it is subject to regulation and it will therefore be necessary to take special measures to bring this matter before parliament.

Mr. Speaker: Order. I suggest to the hon. members that this is now becoming a debate, and I would like to give other hon. members an opportunity to speak.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a supplementary question to the right hon. Prime Minister.

As a result of various agreements signed with the West Indies and according to the information we have had, the Canadian government has agreed to give financial assistance toward broadcasting facilities to the amount of approximately $5 million.

Can the right hon. Prime Minister tell us if his government will spend similar amounts to give French radio and television to our compatriots in western Canada?

Mr. Speaker: Order. This question is too general to be accepted at this time, I believe.

Mr. Caouette: Mr. Speaker, it seems to me that it is more general in Jamaica than in Canada at the present time.

[*English*]

Mr. H. A. Olson (Medicine Hat): A supplementary question, Mr. Speaker, to the Minister of Finance. Could he tell the house with which countries other than those in the Caribbean Canada has been attempting to negotiate a long term sugar policy?

Mr. Sharp: Mr. Speaker, the efforts we are making to promote an international sugar agreement apply to all countries of the world which produce sugar although, in order to avoid any misunderstanding, we are not engaged in any negotiations to enter into long term contracts to buy sugar.

[*Later:*]

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of Finance and is supplementary to the one asked by the hon. member for Saint John-Albert. Does the government now propose to change the conditions as to the places of entry into Canada of goods from the Caribbean?

Mr. Sharp: Mr. Speaker, if the hon. member is referring to the qualification of shipment for Commonwealth preference, the answer was given in the protocol that was agreed between the government of Canada and the governments of the Commonwealth Caribbean countries, namely that the requirement of direct shipment is being waived and trans-shipment may be permitted.

DEFENCE PRODUCTION

REPORTED CANCELLATION OF CONTRACTS BY UNITED STATES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Defence. Could the minister inform the house of any announcement by the United States government this morning to cancel defence contracts in this country?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker.

Mr. Winkler: Mr. Speaker, a supplementary question, if I may. According to a press release from Washington the U.S. secretary of defence has stated that the United States government will cancel contracts with Canada for the production of aerial bombs because of the impact on the balance of payments of the war—

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. Winkler: Mr. Speaker, I was asking the minister whether he is aware of this press release from Washington.

Mr. Hellyer: No, Mr. Speaker, I have not seen it. I have inquired of my colleague, the Minister of Defence Production and if it exists it has not been brought to his attention either.

Mr. Winkler: May I bring this question to the attention of the Minister of Industry? Is the minister aware of any such announcement from Washington?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as the Minister of National Defence has pointed out, the answer is no.

Mr. Diefenbaker: Everybody knows about it but the government.

[*Later:*]

Mr. Winkler: Mr. Speaker, my question is directed to the Minister of National Defence. Can the minister inform the house whether the Canadian government has been negotiating with the United States for the sale of aerial bombs?

Mr. Hellyer: Mr. Speaker, this would come under the jurisdiction of my colleague the Minister of Defence Production.

Mr. Winkler: Then may I direct the question to the Minister of Industry and Defence Production?

Mr. Drury: I did not hear the question. I am sorry.

Mr. Winkler: I will repeat it. Is the government of Canada in fact negotiating with the United States for the sale of aerial bombs?

Mr. Speaker: The hon. member was obliged to repeat his question twice and this gave me an opportunity to reflect on it. I would think it is not acceptable at this time. If he believes it is urgent he can debate it later.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I would ask the Minister of Industry whether it is expected there will be a very large reduction in orders for war material and the like required by the United States in consequence of the difficulties which the United States is experiencing with its balance of payments. Has the minister received any such word from Washington?

Inquiries of the Ministry

Mr. Speaker: Order. It seems to me that this question is exactly the same as one which was asked some time ago. I forget what the answer was, but it seems to me this question was asked earlier today.

Mr. Diefenbaker: We are approaching the end of the session. I would point out that it is no use our putting questions on the order paper and expecting them to be answered. If hon. gentlemen opposite do not wish to answer this question, that is fine. What we want to confirm is that the government knows nothing about a situation which is spoken of in Washington as being imminent and decided on.

Mr. Pearson: Newspaper gossip.

Mr. Winkler: My question is certainly one of national importance. Moreover, it is urgent. I want to know from the minister whether the government of Canada has been negotiating with the United States defence department for the sale of aerial bombs?

Mr. Speaker: Order. The hon. member asked that question a few moments ago and, rightly or wrongly, I said he could not raise it at this time.

[*Later:*]

Mr. Diefenbaker: I will make one more attempt to keep within the rules and at the same time have some regard to the economic position which would be created by a cancellation of orders. Is it a fact that Canadian contracts with the United States for bomb production will be cancelled and that some defence contracts will be cancelled too because of the drain on U.S. foreign exchange? Has the minister no information on this?

Mr. Drury: I thought the right hon. gentleman was aware of the agreement we have with the United States providing for production sharing. This agreement contemplates that a rough balance in trade between the two countries will be maintained regardless of difficulties that may be experienced by either side with respect to foreign exchange. This being so, we have no reason to believe the United States intends to abrogate this agreement in any way. On the contrary, at the present time the balance is flowing or tending slightly in Canada's favour.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I now ask whether the United States Secretary of Defence, Mr. McNamara, informed the Canadian government that the Canadian contract for bomb production would be cancelled and that other defence contracts would have to be cancelled because of the drain on foreign exchange. Did the minister receive such a message, or do we have to depend on the C.B.C. in Washington?

Mr. Drury: As I said earlier, I have no knowledge of any such message. However, I will be glad to check it and I will be glad to prove that the C.B.C. and the right hon. gentleman are wrong again.

Some hon. Members: Oh, oh.

Hon. George Hees (Northumberland): As a supplementary question, does the minister consider that our present adverse balance of trade with the United States of over $1 billion a year is a satisfactory situation.

Mr. Speaker: Order. That question is argumentative.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that during the past three months the cost of living has risen by a full percentage point—

Mr. Speaker: Order. The hon. member should ask his question and not make a statement.

Mr. Hees: I was just getting to my question, Mr. Speaker—does the minister consider that his program for combating inflation which he announced in his budget speech is working out satisfactorily?

Mr. Speaker: Order, please. That question is not acceptable. It is of a very general nature and cannot be asked at this time.

[*Later:*]

Mr. Hees: Mr. Speaker, I wish to direct a question to the Prime Minister. Can the Prime Minister advise the house whether the government intends to introduce a measure before the summer recess to combat the sharp rise in the cost of living?

Right Hon. L. B. Pearson (Prime Minister): No special additional measure before the summer recess, Mr. Speaker.

[*Translation*]

OLD AGE SECURITY

REQUEST FOR STATEMENT ON INCREASED PENSIONS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare. Does the minister intend to make this afternoon the statement promised toward the end of last week concerning the increase in old age pensions?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

[*Translation*]

Mr. Grégoire: One further question, Mr. Speaker.

Can the minister tell the house whether he intends to make this statement this very week, if not today?

[*English*]

Mr. MacEachen: Mr. Speaker, before the beginning of the summer adjournment a statement will be made.

INDUSTRY

KINCARDINE, ONT.—INCLUSION AS DESIGNATED AREA

On the orders of the day:

Mr. John Loney (Bruce): Mr. Speaker, my question is to the Prime Minister and concerns a letter written to the Prime Minister on May 19 by the provincial member for Bruce. Would the Prime Minister say whether he has received this letter?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I have received this letter and I have answered it.

Mr. Speaker: Order, please. I do not think it is in order for an hon. member to ask whether a letter has been received. That in itself is not a question which can be asked at this time.

Mr. Pearson: Mr. Speaker, I apologize for answering it.

[*Later:*]

Mr. Loney: I have a question for the Minister of Industry, Mr. Speaker. Has the Prime Minister consulted the Minister of Industry in an endeavour to honour a commitment of his party to the people of the Kincardine area, as set out in a letter from the provincial member for Bruce?

Mr. Speaker: Order, please.

Mr. Loney: It is a very obvious question, Mr. Speaker.

Mr. Speaker: It is obviously an interesting question to the hon. member, but from the manner in which it has been asked it is impossible for the Chair to determine how urgent it is. If the hon. member feels there is urgency in the matter, perhaps it is a question that might be discussed at the time of the adjournment debate.

Mr. Loney: May I rephrase my question. May I ask the Minister of Industry what action is to be taken in reply to the text of the letter concerned?

Mr. Speaker: I must make the same suggestion to the hon. member. This does not appear to be an urgent matter. If the hon. member thinks it is, he will have an opportunity to ask his question and debate the subject to some extent on the adjournment motion.

Mr. Eric A. Winkler (Grey-Bruce): To emphasise the urgency of the question, Mr. Speaker, may I say that it concerns an important economic area within the Georgian Bay region. I believe it is a very proper question. It is certainly an important one so far as the minister is concerned.

Mr. Speaker: Again I would point out that the hon. member has an opportunity to discuss this matter on the adjournment. The hon. member says no answer has been given. He will have an opportunity then to ask for and perhaps receive an answer.

HOUSE OF COMMONS

REQUEST FOR REPORT OF COMMITTEE ON ELECTION EXPENSES

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the Prime Minister whether he has any additional information as to when the committee on election expenses will submit its report? I understand that the Prime Minister said on April 29 that it would be available for tabling in the first week of June.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I think I did say that. That

was the information I had at the time, and I have been asking every week since. I understand that the difficulties of translation and other things which the commission have encountered are now almost overcome and that the report will be ready for presentation to the house very shortly.

BROADCASTING

IMPLEMENTATION OF RECOMMENDATIONS IN WHITE PAPER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my questions are directed to the Minister of Transport and arise out of section 8 of the white paper on broadcasting, wherein it is stated that the B.B.G. may be required to investigate public complaints regarding foreign or monopolistic ownership of broadcast media.

Is the minister prepared to assure the house on the eve of the adjournment that in so far as local or national domination of our media of communications is concerned, or the foreign control thereof, no licences for radio and television will be granted until parliament has had an opportunity to deal with the white paper and the recommendations made therein?

Another question, which has come to me from several sources, is whether the minister will endeavour to assist those bona fide applicants for cable T.V. in the areas which today are denied access thereto?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, under the Broadcasting Act, which was introduced into this house by the government of the right hon. gentleman, there is a provision to the effect that a licence may not be given for any broadcasting station in this country if the ownership thereof is more than 25 per cent non-Canadian. That law is being carried out, and it seems to me that until there is a change in the law it would be quite improper for the government, and certainly for a minister, arbitrarily to interfere with the carrying out of th law.

With regard to CATV, in response to a question from the hon. member for Wellington South the other day I indicated that until the law was changed the present policy with respect to applications for CATV licences will be carried out.

The present policy is that when one of these applications is received it is sent informally to the Board of Broadcast Governors,

who have one question to answer: Would the granting of this licence be apt to inhibit the development of alternate television in the area? Up to now if they have said no to that question and the application was otherwise in order, a licence has issued. If they have said yes to the question the applicants have been told that a licence will not be issued; but, if the law is changed to provide for formal hearings before the Board of Broadcast Governors, their right to reapply would in no way be prejudiced.

Mr. Diefenbaker: Mr. Speaker, I thank the minister for his very careful and complete answer, and I would now ask him this. In view of the suggestions that are made in the white paper, does he not think that until they are dealt with by the house and opportunity has been given for full discussion it would not be appropriate to issue licences in which foreign capital has a considerable interest or, indeed, newspaper chains or existing television and radio stations?

Mr. Pickersgill: Mr. Speaker, I do not think it would be appropriate for me as one minister and not the minister primarily answerable to the house for broadcasting, to attempt to make any answer to that question. I think it would be presumtuous on my part to do so. It is obviously something which would have to be considered by the government as a whole.

I think we would have to consider very carefully whether we would set aside the law recommended to and passed by this house in the days when the right hon. gentleman was Prime Minister in favour of some other policy that parliament had not approved. But I am sure my right hon. friend the Prime Minister has heard the question, and also the hon. lady the Secretary of State, and I have no doubt that we will give it all the consideration that the eminence of the right hon. gentleman's position warrants.

Mr. Diefenbaker: Mr. Speaker, I would not want to cause the hon. gentleman to be presumptuous in any way, or to deal in a cavalier manner with the law as it is, or to do anything that would constitute a travesty of parliament. But I would ask him whether or not he does not think, the white paper having been introduced with such a parade and so much panoply, that it would not be evading the law in any way, should applications come before the government, if the government were to postpone a decision thereon?

Mr. Speaker: Order, please. I suggest to the right hon. Leader of the Opposition and the Minister of Transport that although this exchange is very interesting it is now developing into something of the nature of a debate between the two hon. gentlemen.

NATIONAL PARKS

SASKATCHEWAN—INQUIRY AS TO PROPOSED PARK

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Northern Affairs and National Resources, but in his absence possibly the parliamentary secretary or the minister in charge could take it as notice. Perhaps I might be permitted to put the question directly and qualify it later, if necessary, as to its urgency in the national interest.

Will the minister inform the house if surveys are under way at the present time with a view to opening a prairie federal park between Fir Mountain and Valmarie in the constituency of Swift Current-Maple Creek, which will eliminate many acres of much needed grazing land required if Canada is to maintain cattle production to meet demands?

Mr. Speaker: Order, please. I suggest to the hon. member that it would take a considerable amount of qualifying to convince me that the question should be answered or asked now. I suggest that it be placed on the order paper or perhaps discussed this evening.

Mr. McIntosh: I can qualify it if you will allow me, Mr. Speaker.

Mr. Speaker: The hon. member will have the opportunity to do so this evening.

LABOUR RELATIONS

QUEBEC LONGSHOREMEN'S STRIKE—REQUEST FOR TABLING OF STATEMENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, on two occasions I have asked the Minister of Labour whether he would discuss with the right hon. the Prime Minister the tabling of the text of a statement which, according to a telegram tabled last Friday, the Prime Minister had made to the parties concerned in the final stages of negotiations leading to the settlement of the longshoremen's strike. May I ask the Minister of Labour whether he will not discuss with the Prime Minister the tabling of the statement?

Inquiries of the Ministry

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am sorry that, having been engaged for several hours since before nine o'clock this morning at a cabinet committee meeting, I have not had the opportunity to do so. I will do so as soon as the house rises and I shall let my hon. friend know promptly thereafter.

Mr. Lewis: A supplementary question, Mr. Speaker. I understand that the Minister of Public Works said on Friday that the bill which relates to this matter may be debated today. Could the minister not undertake, if I might put it to him respectfully, to see to it that the statement, if it is to be tabled, is tabled before that debate?

Mr. Nicholson: Mr. Speaker, in my previous answer through inadvertence I said "as soon as the house rises". I meant that I would do what I indicated immediately after the question hour. The answer might then be available.

CANADIAN CENTENNIAL

CONTINUATION OF PROMOTIONAL EFFORTS IN NEW YORK

On the orders of the day:

Mrs. Jean Wadds (Grenville-Dundas): Mr. Speaker, I have a question for the Secretary of State. Owing to the success of centennial promotion publicity so far undertaken in New York city, will the government not give sympathetic consideration to further centennial promotion ideas that may be proposed to encourage visitors to come to Canada from that city?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, we have been very pleased at the success of the promotion in New York city on behalf of both the centennial and Expo. The promotion campaign probably will be moved round the country and cause more visitors to come here. We are viewing with sympathy any projects which would lead people in and around the New York area to come to both Expo and the centennial. I should like to say to the hon. member that almost anything she suggests will be favourably received by this member of the government.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in light of the fact that it appears we shall be

starting discussion of the government's medicare program tomorrow, may I ask the Minister of National Health and Welfare if he will not ensure that an answer is given to starred question No. 1710, which appears on the order paper as of June 15, before that debate begins? Could the question not be answered during the question period tomorrow?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I have looked at this question and I have a proposed answer, but I question its regularity because it is hypothetical in its nature.

Mr. Fulton: Perhaps the minister would clear up the hypothesis in his answer. I want a positive answer. The question is not hypothetical at all.

INQUIRY OF THE MINISTRY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Secretary of State. Has the hon. lady been asked to authorize that reproductions of the Rex Woods painting of the fathers of confederation, which is being hung in this building, shall be displayed in government buildings across Canada? If so, what decision has she reached on the matter?

Mr. Speaker: Order, please. I do not think this is a question which is so urgent that it should be asked at this time.

CANADIAN BROADCASTING CORPORATION

FAILURE TO PROVIDE PRINCE EDWARD ISLAND WITH TELEVISION STATION

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I would ask the Minister of Transport if he has anything further to add to his reply to the question I asked him on Friday, as he said he might.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I have not had a chance, though my office has communicated with the hon. lady's office, to discuss the matter with her. I shall endeavour to do so immediately after orders of the day and I hope an answer will be forthcoming quite soon.

Mr. MacLean (Queens): I have a related or supplementary question to the Secretary of State. Since this meeting with her colleague is taking place this afternoon, may I ask the hon. lady whether full consideration has been given to making sure that the privately owned television station in Prince Edward Island which has been affiliated with the C.B.C. for ten years, providing C.B.C. programs, will have its interest properly safeguarded in whatever plans the government may have in future for the provision of C.B.C. service?

Mr. Speaker: Order, please. This question is in the nature of representations, and I take it that they have been noted by the minister.

[*Translation*]

INCOME TAX

REDUCTION OF CLAIMS FOR CHARITABLE DONATIONS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Minister of National Revenue.

In view of the numerous complaints we receive, and he receives as well, about officials of the income tax department reducing the amounts on charitable receipts attached to income tax returns, is the Minister taking steps to adopt the same rate for everyone in order to put an end to those complaints and do justice to the whole population?

Mr. Speaker: There again we have a general question; the hon. member may not put it at this time.

[*English*]

AIR TRANSPORT

COMMENCEMENT OF DIRECT SERVICE, MONTREAL-MOSCOW

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to direct a question to the Minister of Transport arising out of documents tabled in the house today respecting the air transport agreement between Canada and the U.S.S.R. Can the minister give us any indication when the flights between Moscow and Montreal either by Canadian or Soviet air lines, will begin?

Hon. J. W. Pickersgill (Minister of Transport): While no absolutely definite date has yet been set, it is the expectation that they could begin in October or November.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Do the documents indicate which Canadian

air carrier will be our representative, or can the minister confirm that it will be Air Canada?

Mr. Pickersgill: The agreement was signed between Air Canada and Aeroflot at the same time as the general agreement.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question was intended for the Secretary of State for External Affairs but in his temporary absence I should like to direct it to the Prime Minister. Has the government made a decision with respect to Canada's position at the next general assembly of the United Nations as to the seating of the Peoples Republic of China?

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

GRAIN

REQUEST FOR INCREASE IN QUOTAS

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, my question is directed to the Minister of Finance. Has there been any change in the movement of grain so that the Canadian Wheat Board might consider extending the quota beyond the present ten bushel limit on wheat at most points before July 31?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the latest conversations I have had with the chairman of the board indicate that ten bushels remains the target. However, if movement has in fact been larger than was expected I am sure the board would be prepared to consider a higher quota. I will make inquiries.

Mr. W. H. A. Thomas (Middlesex West): If the Wheat Board is unable to open all points to a ten bushel quota are there any plans at the start of the next crop year—

Mr. Speaker: Order. The supplementary question is hypothetical.

[*Later:*]

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct my question to the minister who reports to the house for the Canadian Wheat Board. In view of his previous remarks in the house today respecting those points which would not be on a ten bushel quota, what plan does the wheat board have for equalizing the quota system?

Mr. Sharp: To do as much as possible to equalize quotas before July 31.

RESEARCH

INQUIRY AS TO REPORT ON USE OF ANIMALS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Industry. Can the minister inform the house when the report of the National Research Council committee on adequate protection for animals used in scientific research is expected to be tabled?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I did not know it was proposed to table any such report.

FISHERIES

REQUEST FOR STATEMENT ON ESTABLISHMENT OF BASE LINES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Fisheries. I should like to ask the minister whether he expects to be in a position before the house recesses to make his long-awaited announcement about the conclusion of negotiations to establish straight base lines for our fishing zones.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as the hon. member knows, this is a matter which comes under the jurisdiction of the Secretary of State for External Affairs. I can only repeat what he said in this house not too long ago, namely, that negotiations are still under way. I can also advise the hon. member that a very important meeting regarding this matter took place last week.

IMMIGRATION

REQUEST FOR EXTENSION OF CUT-OFF DATE AND ENLARGEMENT OF SPONSORED CATEGORY

On the orders of the day:

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to direct an urgent

question to the Minister of Citizenship and Immigration. Would the minister give sympathetic consideration to extending the early cut-off date of July 25 and also extending the present category of sponsorable relatives of Canadian citizens when those relatives wish to remain in Canada?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, I will take the question as notice. I have no objection to considering the proposal, but I think it will involve more than a simple question.

[*Translation*]

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

In view of the fact that the Minister made his statement during the holiday season, does he not think that postponing the cut-off date to some time after the holiday might make things easier for several people?

Mr. Speaker: The question is much the same as the one put by the hon. member for Parkdale (Mr. Haidasz).

[*English*]

• (3:50 p.m.)

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

INTERIM SUPPLY

Resolved, that a sum not exceeding $1,662,982,791.93, being the aggregate of—

(a) four-twelfths of the total of the amounts of all of the Items set forth in the Main Estimates for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament, not otherwise provided for, except Finance Item 15 for which the proportion is three-twelfths, and Transport Item 103 and Loans, Investments and Advances Item L40 for which no proportion is granted—$1,252,481,028.67;

(b) an additional four-twelfths of the total amounts of Dominion Bureau of Statistics Item 10, Mines and Technical Surveys Item 40, Loans, Investments and Advances Items L75 and L80 (Schedule A) of the said Main Estimates—$4,299,333.83;

(c) an additional three-twelfths of the total of the amounts of Mines and Technical Surveys Items 15 and 70 (Schedule B) of the said Main Estimates—$1,902,250.00;

(d) an additional two-twelfths of the total of the amounts of Mines and Technical Surveys Items 55 and 75, Secretary of State Item 40, Loans, Investments and Advances Items L30 and L95 (Schedule C) of the said Main Estimates—$25,681,300.00;

(e) an additional one-twelfth of the total of the amounts of Agriculture Items 5 and 55, Finance Item 10, Fisheries Item 10, Justice Item 1, Mines and Technical Surveys Items 20, 25, 35, 45, 60, 80, 85, National Film Board Item 1, Northern Affairs and National Resources Item 15 and Transport Item 5 (Schedule D) of the said Main Estimates—$16,293,229.17;

(f) seven-twelfths of the total of the amounts of all of the Items set forth in the Supplementary Estimates A for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$193,924,378.08;

(g) four-twelfths of the total of the amounts of Agriculture Item 35a, Defence Production Item 20a, Finance Item 4a, Mines and Technical Surveys Item 40a, Transport Items 102a and 103a (Schedule E) of the said Supplementary Estimates—$5,709,522.67;

(h) two-twelfths of the total of the amounts of Finance Item 15a, Mines and Technical Surveys Item 75a, and National Research Council, including the Medical Research Council, Item 10a, (Schedule F) of the said Supplementary Estimates—$8,459,333.34;

(i) one-twelfth of the total of the amount of Loans, Investments and Advances Item L40a (Schedule G) of the said Supplementary Estimates —$966,666.67;

(j) seven-twelfths of the total of all the Items set forth in the Supplementary Estimates B for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$103,265,750.00;

(k) four-twelfths of the total of the amount of Loans, Investments and Advances Item L32b (Schedule H) of the said Supplementary Estimates—$50,000,000.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1967.

Mr. Thompson: Mr. Chairman, picking up the threads of the debate of last Friday afternoon, we come back to the question of Canada's role and policy in the Viet Nam war. As a premise to my remarks on the situation in Viet Nam I should first like to commend the Secretary of State for External Affairs for his diplomatic efforts to date, particularly in the light of some of the unwarranted criticism directed at him last Friday afternoon by the hon. member for Burnaby-Coquitlam.

The hon. member attacked the minister for not entering with full speed into what the hon. member termed the new age of diplomacy. He was even contemptuous of the minister's efforts to work behind the scenes and use whatever influence Canada may have as constructively as possible. I am surprised that one with the experience of the hon. member for Burnaby-Coquitlam could possibly entertain the belief that world diplomacy has suddenly become some sort of mass participation sport, the players' moves being determined by the effective rhetoric of other participants.

The hon. member seems to envisage international relations as entering an era when the assembling of world opinion will serve as

the principal generative force. The hon. member is suggesting that everything be made public. Mobilize world opinion and pressure the major powers into a settlement which the hon. member and world opinion consider satisfactory. It seems to me that the hon. member is forgetting that so-called world opinion is little more than those who, by sheer audacity, seek to establish themselves as the spokesmen for the world community. The hon. member went to great pains to mention the Prime Minister of India, the junior senator from New York, and the senior senators from Montana and Arkansas. Presumably he feels that they, along with the hon. member for Burnaby-Coquitlam himself, constitute world opinion.

Moreover, the hon. member is entertaining a fancy, which it may be noted is fine as long as one is not vested with responsibility, an illusion that even if he, the junior senator from New York and the rest of "world opinion" did have valid claims, they would in any way be able to orient the foreign policy of any belligerent in this conflict, let alone the major powers concerned. Were these heralds of world opinion able to change the policy of the Soviet Union at the time of the Hungarian crisis? As I think back I wonder if they even tried. Admittedly no nation enjoys a poor press review, but nations cannot afford to compromise their own interest for the sake of those who, from a different vantage point, may not agree with them. No better example of this point can be had than the present policy and the attitude of the Prime Minister of the United Kingdom.

It must also be noted that over-publication of diplomacy serves only to polarize positions and to make compromise that much more difficult. This the hon. member for Burnaby-Coquitlam seemed to forget when he deprecated the efforts of the minister to work behind the scenes through the Ronning missions and other endeavours as well. If my memory serves me accurately, Mr. Chairman, the most valuable achievements in international relations occur behind closed doors where all the factors are considered and where rigid positions can be modified with proper and less embarassing bargaining.

The hon. member for Burnaby-Coquitlam, like other hon. members, does not have possession of all the facts in relation to the Viet Nam war. We are not in a position to weigh all the variables and to consider all the factors as only the responsible, who are intimately involved, are able to do. No member of this house has access to all the information which comes to the minister, and such must be the case.

Another thing which must be understood is that the hon. member for Burnaby-Coquitlam does not have responsibility for the difficult decisions that have to be made regarding Viet Nam. For him to assume the posture of castigating so vehemently the Secretary of State for External Affairs, the President of the United States and, by implication, the Prime Ministers of Australia and New Zealand, when he is in possession of only a fraction of the information, seems to me to be highly presumptuous.

Moreover, we must recognize that Canada as a middle power is quite limited in what she may be able to achieve. It has been demanded that Canada insist that the Geneva conference be reconvened and that the United States halt the bombing of North Vietnamese military targets. But recognizing the hon. member's oratorical gifts it would not have been surprising had he demanded that Canada should flood the world for 40 days and 40 nights if the Canadian demands were not met. Certainly, Mr. Chairman, we cannot afford to minimize the honourable influence which we can have in the world community, but we cannot expect the Secretary of State for External Affairs or anyone else, including the Secretary General of the United Nations, to perform miracles in the present difficult international situation.

No, Mr. Chairman, I think we must understand that international politics are not some sort of world parlour game. We recognize the fact that weighty decisions can only be made by a few, and that the potential for successful diplomacy is best behind the closed door. Therefore, while we in this party do not always agree with the government and its emphasis in the Viet Nam conflict, we would not have the Secretary of State for External Affairs preaching from the rooftops or conducting his efforts in any other manner than he has already done during these last few months with respect to the realities of the Viet Nam problem.

In the light of the platitudes and hyperboles inflicted upon this chamber last Friday by the hon. member for Burnaby-Coquitlam, I wish to take note of some of the considerations which to this point have been ignored. What has always disturbed me about the position assumed by some hon. members is the naïve view that in international relations we are to consider first and foremost certain

moral standards and that considerations of power and self-interest are to have no place. I wish that that were true. According to these hon. members policy has to be determined by a just formula; all that is required is a gentleman's agreement and good faith on the part of all and everything will work out quite satisfactorily.

Unfortunately, however, man is not to be so easily trusted, and a nation's policy, regardless of the moral explanations given to the contrary, is based on the safeguarding of the nation's interest and the defence of its strategic position in the world power structure. We have not yet entered the era when the brotherhood of man makes any just solution viable in itself. I wish we had.

The hon. member seems to refuse to recognize the facts of geopolitics and to confront the implications of the alarming changes in the power structure of Asia. I can understand that he may say, "Is peace not worth attempting at all?" Of course it is. But the only peace we can realistically hope for is that condition wherein the aggressive power considers further expansion as more of a loss than the sacrifice of old dreams and ambitions. It is well that we remember that in Southeast Asia the expanding power is China and the containing power is the United States with its allies.

• (4:00 p.m.)

It is impossible, Mr. Chairman, to view the events in Viet Nam apart from the situation in Asia as a whole and particularly the rejuvenation of China as a major world power. Surely this is the ultimate consideration here. Can the revival of a Chinese empire extending to the South China seas and perhaps farther be contained? There is no doubt that the revolutionaries under Chairman Mao differ little in aim and intent from the Ming dynasty. There are those who suggest that the west should retreat from the mainland of Asia altogether and set the line of containment at Australasia, Japan and the Philippines. In the view of this school, mainland Asia would be recognized as the Chinese sphere of influence.

Ignoring for just a moment the injustice of abandoning so many peoples whose history has been characterized by their hostility to Chinese domination, let us consider such a solution purely as it relates to strategy. Could the west successfully defend the above-mentioned areas against a China economically inoculated with the acquisition of rich new fields to the south? Such a Chinese empire with a sophisticated nuclear delivery system, a burgeoning population demanding new food areas, would look covetously to the vast plains of Australia. The potential for economic warfare alone against Australia is frightening inasmuch as China would have control over most of the major trade routes in the area.

Another suggestion has been the possibility of a Titoist formula for Viet Nam. It is argued that considering the historical hatred of the Vietnamese people for the Chinese, it is quite probable that we would witness the evolution of a national Communist state in Viet Nam which would be able to resist the grander designs of China. Such a solution, however, does not take into account the fact that the anti-Chinese element in the North Vietnamese government is restricted to President Ho Chi-Minh and the old veterans of the party. The young Turk movement represented by such energetic figures as General Vo Nguyen Giap is quite pro-Chinese and see their country's future as linked to that of China. Moreover, the success of the Chinese policy as formulated by Mao-Tse-Tung and Marshal Lin Piao, that is, the use of the war of national liberation, as opposed to the Soviet view, could only strengthen the position of China in the Communist movement in Viet Nam and indeed throughout Asia.

It is highly unlikely then, with the eventual emergence of the pro-Chinese movement in the North Vietnamese Communist party and with the obvious success of the Chinese formula, that a Titoist Viet Nam could exist without the limits of sovereignty being set by the Chinese. Moreover, with the removal of the United States and the absence of an Asian counter-force to Chinese power, a nationalist regime would have much difficulty in pursuing an independent line which was liable on occasion to be to the detriment of the Chinese. For the Soviet union to counter Chinese power in Southern Asia is even more impractical than the United States, for the latter is at least a Pacific power. Her borders extend deep into the Pacific and her ultimate interest in Australia makes her very deeply involved in the Asian situation. The Soviet Union on the other hand is a European power and is becoming increasingly oriented to Europe. Granted, the Soviet union is the logical power to meet Chinese expansion in the north but she does not have the geopolitical resources to counter Chinese expansion in the south.

This is not to mention the problems which would be posed for the neighbouring states should Viet Nam come under Chinese domination, subtle and indirect though it may appear. For the moment the combined forces of the neutralists under Prince Souvanna Phouma and the pro-western elements in Laos have been able to contain the advances of the Pathet Lao which has been largely ignored by their patrons in North Vietnam, who have been almost totally preoccupied with the war in the south. With a united Viet Nam under Ho Chi-Minh to what extent could the Laotian government further resist the incursions of the Pathet Lao? What about the situation in Thailand and Cambodia? Would not those countries be forced to seek accommodation with China, an accommodation which would be politically and economically advantageous to the Chinese. In fact it is not unreasonable to suggest that Prince Sihanouk has already opted for the Chinese, expecting them to have eventual control over Indochina. One must also ask whether the integrity of Malaysia and Singapore could be guaranteed and whether Indonesian General Suharto and his supporters could continue to steer that country toward truly national development.

All of this is ignoring one of the basic facts of this struggle and that is the question of United States prestige. Even were the difficulties posed by withdrawal to be overcome, it is not to be expected that the United States will follow the suggestions made by the hon. member for Burnaby-Coquitlam, suggestions which, it may be noted, are tantamount to complete capitulation. Already some Europeans see the struggle of conscience in the United States as evidence that that country's guarantees are not to be trusted in the long run. Free nations everywhere could no longer count on American assistance against aggression from a more powerful nation. To expect the United States to unconditionally stop the bombing and to withdraw without a like action from the North Vietnamese is highly unrealistic and quite impossible.

Chinese imperialism is no less imperialistic for being in the guise of insurgency. The hon. member for Burnaby-Coquitlam is quick to accept the claims of that minority which always claims to speak for the majority. Therefore I would ask the hon. member for Burnaby-Coquitlam if he would suggest that the attempted coup last October in Indonesia, in which the Chinese were deeply involved, was a true expression of Indonesian feeling?

Yes, we have been warned of an impending nuclear holocaust, of greater participation from the Communist world. We have been told so often that the United States is forcing the Russians and the Chinese together, and yet Sino-Soviet relations are at a worse point now than they have ever been. The dangers of east European volunteers pose no major threat as the mobility and supply of such volunteers would be almost impossible under the circumstances.

There has been a great deal spoken of American atrocities, about women and children being bombed and maimed. Nothing has been said about the atrocities on the Viet Nam side. The same people who criticize in this regard and who do not recognize the truth in the statement might read some of the reports which contain the views of Canadian members of the international control commission team. All we need do is read the minority report to understand that.

It has been the Vietcong which has systematically attacked the civilian population, bombed city restaurants, murdered village leaders and tortured those who refused to co-operate. The hon. member talks about reform. Every time an attempt is made to provide a village with trained officials they are assassinated by the Vietcong. True economic reforms would be realized sooner if the Vietcong did not consistently sabotage Vietnamese villages and did not execute such a systematic terrorism over the civilian population. The hon. member would find that refugees from Vietcong areas, not to mention the more than one million refugees from North Vietnam who fled from Communism into South Vietnam when the Geneva agreement was established, could certainly give him a graphic picture of Vietcong atrocities.

Over the weekend I noticed an editorial in the Winnipeg *Free Press* of July 1. I believe it is worth taking note of and worth putting on the record in part at least. It reads:

> Britain, Canada, the U.S.S.R., the secretary general of the UN and others, have made many efforts to bring Hanoi to the conference table. The Americans have made it clear beyond any reasonable doubt that they are willing to talk. The Chinese have released the terms of approaches the Americans have made, including token withdrawals of troops, to save face for the North Vietnamese government. All these approaches have been rejected. All would-be mediators have insisted that a necessary pre-condition of negotiation is the cessation of bombing. U Thant continues to offer this argument. The Americans discontinued bombing for six weeks and a major peace effort was made during that period. Hanoi rejected every overture. The cessation of bombing had no effect. The proposition that the

Americans should withdraw, so that negotiations can begin, is too unrelated to reality to deserve discussion.

The outcry against the bombing of the oil depots must therefore be understood against some set of facts or circumstances other than those put forward by President Johnson's many foreign and domestic detractors. It is a not surprising extension of the running attack that from the begining has been mounted against American involvement in Viet Nam. Since the French revolution the assumption of the so-called "liberal" mind has been that "revolutions" of the left even, in the presence of their worst excesses, have some inherent virtue that places the obligation of support or neutrality upon men of good will. It made tolerable the diabolism of the Bolshevik revolution under Lenin and Stalin and has made it easier to forget the massive horrors of those years. It made the cry for armed intervention in the Spanish civil war easy because the insurrectionary in that case was from the ancien regime. It made Hitler's rise to power and his opening moves against Europe excusable because of the alleged iniquities of Versailles and a comfortable "liberal" devotion to men's right to "peace."

When the Americans exploded nuclear devices, there were storms of "liberal" protest. When the Chinese do so there is a great "liberal" silence. What was morally abominable in the Americans is not subject to moral judgment in the Chinese. There is a strange suspension of "liberal" moral judgment while the Chinese catch up. The Chinese can openly declare war on the west—including Russia —through "wars of liberation" and this is not reprehensible. They can reject conference, negotiation, even conversation and their hurt feelings are an adequate defence. Everything is understandable. But the Americans pursue negotiation, make incessant and open and secret intersession for conversation or conference, exercise iron restraint at the expense of their sons, and there is no grace in them that a "liberal" can recognize.

● (4:10 p.m.)

Those are not my words, Mr. Speaker, those are the words of a newspaper whose interests so far as world peace is concerned are well recognized.

There has been much said in this house about escalation and how dreadful the United States is to ignore consistently the indignation of world opinion. However, they forget that it is not the United States which is escalating. To quote a recent report:

In 1964-65 the Viet Cong recruited, trained and put in the field no less than 18 "main force" regiments, bringing their own force of regulars up to the equivalent of eight divisions. Two northern divisions also came south. By the spring of 1965, therefore, the Viet Cong infrastructure was carrying the heavy burden of a regular army of 10 divisions, additional to the local guerrilla forces.

We could go on and enlarge on this but time does not permit. There are some who recognize that to meet this constant increase in the number of enemy troops the allies have had to impede troop movement and the movement of supplies. In the past few months lorries and boats were increasingly more important in the movement of troops and supplies. There are men like Prime Minister Holt of Australia who understand this. Oil depots are legitimate military targets just the same as roads, bridges or rail lines. Every effort must be made to protect as many lives in the south as possible and this means frustrating at every turn the movement of troops and supplies into the south. There are signs which indicate that the war in Viet Nam is changing. The huge increase in the number of troops has made it increasingly difficult for the Viet Cong to live off the land.

[Mr. Thompson.]

There are other authorities who say that the destruction of oil depots must be judged as to their military value, even as the *Economist* of July 2 so wisely observed. I mention this article because it expresses a viewpoint of the situation in Viet Nam which is both rational and responsible. The article in part says:

Most people in Britain will regret that the United States has found it necessary to bomb the oil tanks on the fringes of Hanoi and Haiphong. It is a geographical extension of the war, though not in any real sense an escalation of the level of it; and it is bound to have killed a number of civilians.

Each new act of war, by either side, is something most people would prefer not to have happened. But for all that it was premature of Mr. Wilson to dissociate himself from the American action before he was in a position to judge its effects.

The editorial then states:

If events show that the operation has cut the flow of supplies to the south, and if photographs show that the bombing was reasonably accurate, there will be no cause for dissociation except on the part of those who would not mind a Communist victory in Viet Nam.

The fact that such a statement is to be found in a publication such as *The Economist* I think lends weight to it. There are other aspects of this situation that have not been brought out in this debate. At the moment the Saigon government controls about 55 per cent of the country's population compared with only 45 per cent a year ago. The defection rates from the Viet Cong are continuing to climb. In the Cantho area alone there are now 500 Viet Cong defections a month compared with only 100 a month a year ago. At the same time government defections are decreasing. The Ky government has stayed in power, even though it cannot be classified as a full democratic institution, in spite of the problems created in a war-torn kaleidoscopic nation which has only known oppression for decades—yes, even centuries. Premier Ky has managed to achieve an unprecedented and unexpected stability in co-operation with the

central committee, and also to embark on a workable reform program in the rural areas. This is something we are told very little about.

There have been increasing provisions by the administration for medical care, agricultural assistance, educational facilities in a country ravaged by war. The Viet Cong are relying less on their division size operations and have returned to hit and run attacks. One thing is becoming clear. The Communists cannot win the war militarily. There is only one hope for them of victory and that is for weariness to set in upon the allies in response to those who insist they should withdraw as they cannot win. Unfortunately for many of these their efforts have not been too successful. These voices which call for withdrawal are the same voices which said of Greece after the war that the Communists spoke for the majority and that their victory in Greece was inevitable.

I would say that while we do not like the developments and we do not like to talk about war the fact is that the situation in Viet Nam is beginning to change and that China is being contained. Prime Minister Sato of Japan said only last week:

> It is my earnest hope that the United States will continue to persevere in its efforts toward stability and peace in Viet Nam.

He was paying tribute to the U.S. military role in Asia. The views of Prime Minister Holt of Australia, Prime Minister Tungku Abdul Rhahman of Malaysia and Prime Minister Keith Holyoake of New Zealand are all well known.

We come to this point as we consider the war in Viet Nam. This is not just a United States war as we would be led to believe by some. This is an allied effort involving the troops of South Korea, Australia, New Zealand and the Philippines, and the non-combat assistance of many other countries. The nations on China's periphery are understandably concerned and are determined that Chinese expansion be contained. As Coral Belle, the well known Australian strategist, put it:

> They tell us China is a long way from Australia but Japan was a long way from Australia too.

As Mr. Patrick Gordon-Walker noted when he was in Toronto at the international teach-in, and as Mr. Enoch Powell has noted since, the United States is a Pacific power which must now lead this alliance. When an Asian power structure does emerge to balance that of China, the United States can consider withdrawal from southeast Asia. That time is not now.

I should like to conclude with a word about Canada's role in this struggle. There are some who feel that Canada's position on the International Control Commission gives her a certain neutrality in the situation. There is some justice in the argument that Canada's role in the I.C.C. may be such that active military participation would be unwise and would tend to cripple any influence we might have in that body. I would agree with that. However, as a commonwealth nation historically linked to Australia, New Zealand, Malaysia, and as an ally of the United States, we cannot be completely neutral. The International Control Commission role does not demand this. Poland, for instance is also a member of the I.C.C. and yet that country last week offered volunteers for the Viet Cong and the North Vietnamese. It is in this area that I feel the government deserves some criticism. There is no reason why Canada cannot substantially increase her aid to South Viet Nam. We are contributing only about $1 million, which in this case is a trifling amount.

As the right hon. Leader of the Opposition said, United States citizens in Viet Nam are dying for you and me. Even if we cannot send troops there is no reason why we cannot increase our economic assistance. There is a tremendous need so that the reform programs in the rural areas can work and so that South Viet Nam will eventually become a peaceful, stable and prosperous nation. Surely there is no member in this house who would oppose such a development. It has been long argued that the war cannot be won by military means alone. I refer again to the remarks of the hon. member for Burnaby-Coquitlam, but I would be the first to agree with those remarks and I hope that the hon. member and everyone else in this house would support an effort to increase our economic assistance to that war-torn country. We hope the government will make a real attempt to correct this situation. We appreciate the diplomatic conduct of the minister, although I cannot agree that the government cannot do more than what is presently being done.

While it is necessary that we must continue to explore that diplomatic role which is uniquely ours, and while we feel that Canada should continue the liaison role she has been playing, facilitating in many ways the exchange of positions, we cannot help but feel

nevertheless that Canada must remain sympathetic to the allied struggle in Viet Nam, supporting our friends and allies as they attempt to preserve the national integrity and independence of Asian nations from the indirect but very aggressive force to the north which says its foreign policy is to take part in all revolutionary wars such as those which have been recently so prevalent in many parts of the world. There is no better current example of this than Indonesia.

• (4:20 p.m.)

It would seem to me that in addition to this position which I think Canada can take through a greater and expanding role in a humanitarian contribution to the world picture, we have to face up to the fact that the only hope we have today for peace in Asia is a containment of the warlike, aggressive policies of China, even as Russia 15 years ago was contained through the effect of NATO.

This being so, and with the passing of time, I am sure that many of the critical situations which today seem to have no solution will ease up and provide an opportunity for the integrity and autonomy of nations in the eastern part of the world. This can play a very decided role in the over-all developing pattern toward the goal which we all share, which is the peaceful development of the world's resources.

Mr. Nugent: Mr. Chairman, I must say that I find myself at considerable variance with much of what was said by the hon. member for Red Deer. I find it somewhat peculiar that in this country where we believe in democracy, where we consider ourselves a Christian nation, where we have subscribed to the ideals and the charter of the United Nations, we should hear the leader of a political party as much as say that we should have no part in idealism, that when we consider the world of today we should consider it in the light of cold, ruthless, power politics and that is the only thing that counts. The hon. member used such arguments as: What do they think about Hungary when they talk about atrocities or taking over countries by subversion, force of arms, etc? It is no argument, I submit, when ever a question of the legality of anyone's actions is concerned, to say that the action taken in Hungary was not legal. Where does that leave us? I presume from the remarks of the hon. member for Red Deer that once the Communists have done it this brings such action to an acceptable level.

The hon. member used the same argument about atrocities. I gathered from his remarks

that he is perfectly happy about atrocities. Because one side is guilty of atrocities, he seems to think this makes atrocities the sort of thing we should favour. I am sure that the conscience and the mind of every citizen in this country who pays more than lip service to those ideals by which we profess to live, and which we hope will even guide relations between states, are more than a little perturbed at the thought of the number of innocent men, women and children who are today dying or suffering because of the conflict in Viet Nam.

I believe that those who are Christians and those who say that people in other countries should be able to enjoy the same rights and privileges that we do are a little aghast at the argument of the hon. member for Red Deer that the people in that country do not count because their country is just a pawn and its people mere ciphers in a power struggle between China and the mighty United States which cannot be stopped.

Surely there is more to our world than that. Surely these people are more than ciphers who can be swatted like flies by contending giants. I for one do not subscribe to the idea that the ends justify the means, as was so vehemently exhorted by the hon. member. It does seem to me that there is a right way and a wrong way to do things. It does seem to me that today, when the contending ideologies of our version of democracy and communism are in a struggle, we do nothing to help the cause of democracy by abandoning the very ideals that make our way of life so worth while for us.

I am not at all convinced that the United States, by saying that the ends justify the means, is achieving those ends which alone could justify the means, if they are not indeed acting illegally. I would like to see the argument in this house conducted along the line of those who contend that the United States is right in standing up and proving what right the United States has to be there. I have heard no one pretend that the United States has any right other than might.

I am a little concerned when we so far abandon even any pretence at legality, when we ignore the question of the means of achieving an objective and then are not even sure of the objective. This is no way for democracy to win any struggle, short or long term. It is my contention that by abondoning our ideals every new, emerging or underdeveloped country in this world that we might hope to convert to our system of democracy is going to find that we in the

western world are a bunch of hypocrites when we talk of democracy, that we in the western world do not believe in the United Nations charter which we signed and which gives each country equal rights.

There is nothing in our present attitude toward Viet Nam which can do anything but convince small nations around the world that they are meaningless as nations, that the lives of their citizens mean nothing to us, and that we do not subscribe to any of our ideals that we so proudly proclaim as being the hallmark of democracy. I do not know how we in this house can say that our objectives are to contain communism and in the same breath go along with the very type of action for which we say we hate and fear communism.

Certainly people are afraid of the communist nations because they go into a country, we say, and assist revolutionary forces to take over governments by force. But what legal means has the United States taken to get into South Viet Nam? What is the legality of its position? We have subscribed to the United Nations which we hoped would undertake peacekeeping and would be available when one country's independence was threatened by another. We know that the United Nations has been particularly successful in some ways. But instead of concentrating its efforts on building up the United Nations we find that the United States has abandoned any pretence of using the United Nations and says: We will do this because in our sole judgment it is what we must do.

One only has to review the propaganda put out by the United States to consider what they are doing to the picture of democracy as represented by the United States around the world, what they are doing to convince everyone that democracy is hypocrisy. I submit that once they have sold the world on this they have aided communism to a great extent. It is not two years ago that the United States was saying that it only had observers in South Viet Nam who were travelling with the neutralists to observe what was going on. This was the way the United States talked. There was then no mention of a South Vietnamese government and there was no pretence at that time that they had any right to send in fighting troops on one side or the other.

• (4:30 p.m.)

Gradually, as the build-up of the armed forces took place, it became impossible to refer to the vast numbers of troops as observers. Instead of gaining the support of the neutralists so as to bring about a peaceful solution in South Viet Nam and the right of the South Vietnamese to self-determination, the United States started to talk about the government of South Viet Nam and about United States troops helping that government fight North Viet Nam. Surely anyone who has read the news reports of speeches in the United States and the justification they give for their actions must wonder at what has taken place over the last two years. There has certainly been no change in international law, no new agreement in the United Nations and no recognition of a change in status. I submit there has simply been a change in the description by the United States of its position because they feel that they can sell their policy to their own people and perhaps to the rest of the world by saying they are now coming to the aid of a recognized government in resisting armed aggression.

I thought it was going pretty far and that Premier Ky put the lid on it when he said that if an election were held now and either the Viet Cong or the neutralists won neither would be acceptable to him. The Ky regime is a puppet government which is supported by the United States, and this is the position at which it has arrived. Only two years ago the United States said they were going into Viet Nam to assist the neutralists, to pacify the country and to give the people the right to self-determination. They are now supporting a puppet government which, despite the armed forces which the United States have put at their disposal and which they themselves have, is barely able to keep order in that part of their country now occupied by United States troops. This Vietnamese government is now saying that they will not grant their people the right to self-determination and the right to choose their own government because it would not be acceptable to Premier Ky.

Whatever the people of Canada may have thought about the aims and objectives of the United States in entering the war in South Viet Nam, I hope they will have the honesty to concede that the United States has the right to choose whatever method it likes because the end justifies the means. I hope they will accept the obvious evidence that the United States can impose in Viet Nam a government of its own choice and prevent the right to self-determination in that country as part of the objective of containing Communism in southeast Asia. I suppose you have the right to kill another man if he is about to kill you but you cannot kill to increase your own chance of living if you are not threatened. However, here we are saying that it is

perfectly all right to kill people in great numbers because we are afraid of a strategic shift which will entail greater peril unless we continue the present policy. Anyone subscribing to that theory will not convince me he is speaking in support of democracy or of the UN charter by which we are bound.

The hon. member for Red Deer quoted many sources in his statement although he started out by saying he did not know enough about the subject to speak on it at length and that we should be guided by people with greater knowledge. I presume he quoted all these sources in support of his argument. However, I am of the opinion that the debates which have taken place among the United States senators have been of a much higher calibre than the discussions on this subject in Canada. They have been much more honest and have contained more common sense.

In the United States they speak honestly about their objectives and their right to go into Viet Nam. President Johnson is asked whether his objective is a complete and final military victory. When a voice is raised in this country questioning the position of the United States that person is immediately suspected of Communism because United States policy is conceived as one which is designed to contain communism. I for one have never been convinced that communism is the only evil in the world. I am not convinced that a South Vietnamese villager can see the difference between being bombed by a United States plane or shot down by a communist soldier. The United States is saying to these people: We are trying to save you from these nasty fellows who wish to enslave you. This will not give back to them the people who have been killed.

A ray of light came through when, about a month ago, Henry Cabot Lodge speaking on television about the military victories in Viet Nam said: "We cannot win by military victory alone." I wish that a lot of people had listened to that. He said that the difficulty is that only the communists have been helping these people since 1954, and now we have to give them something to fight for and something to vote for.

At last we are hearing a note of sanity, I thought. I am tired of the sanctimonious attitude we are taking toward a backward country which is trying to throw off its shackles and where inevitably we find that the communists are the best equipped to lead. Whenever there is a suggestion of communism, we say the communists are trying to take

[Mr. Nugent.]

over the country by force. It seems that in our enlightened view of democracy and the duty of other nations we consider that a country must put up with any government that is anti-communist because that is all in which we are interested. Do we deny those people the right to revolt against a government which has done nothing for them in 30 years? I am not speaking of democratic governments but of dictatorships which are still rampant in the world. I do not think we are advancing the cause of democracy by saying we are for any government, no matter how regressive it is, provided it is against communism. Is it not time we were in support of a government chosen by its own people? Is it not time we did away with hypocrisy and recognized that people have the right to choose the government they want? Is it not time we recognized the right of the people to revolt against a system which they dislike and to choose another?

It is a terrible thought that many of these people may turn to communism, but I think we are driving them to it because owing to our actions they are prevented from reforming their own country and throwing off the shackles of a regressive government which is kept in power by our own interests. The only requirement we have is that it be anti-communist.

I think the minister's statement regarding Canada's position in Viet Nam was the weakest I have ever heard him make. We are friends and allies of the United States and as such we have a duty to speak frankly. I should like to think that although we are a small partner we are not under their thumb. It is our duty to speak frankly and to stand up for the UN charter and for our concept of what is right and what is wrong. It is our duty to tell the United States that the unlimited use of their air power and their escalation of this war presents a danger not only to them but to us and to the entire world. Does the United States feel it can use its power to enforce its ideas in protecting the rest of the world from other dangers?

• (4:40 p.m.)

I think that Canada should lead the way and should speak very frankly to the United States. We should ask them what is going to be done about amending the United Nations charter to make it more effective so that countries will rely on it and so that we may really have some possibility of avoiding power contests throughout the remainder of our history. However, our history is likely to be

very short unless we start to pay more than lip service to that international organization. I thought that U Thant was highly respected around the world but it is obvious, when his words of caution designed to keep the war from escalating further go unheeded, that he is not very much respected.

I did not mean to go on at such length, Mr. Chairman, but I am sure that the minds and hearts of those in every section of the country must be exercised at the thought of what is going on. I am sure we are all very much concerned about exactly what are the objectives of the United States. What do they want in South Viet Nam? I am afraid that the evidence points to their wanting a government of their own choosing which will be a bulwark against communism, and that is all they are going to settle for. I object to the actions taken by people in that country who are nothing more than a swarm of flies, a nuisance, on the body politic and who now and again are a disturbance to the peace of mind of countries such as the United States and Canada.

Mr. Brewin: Mr. Chairman, I think it is very fitting that we in this house have been given an opportunity before we recess to discuss what is the most urgent and dangerous question facing mankind, namely, the escalation of the tragic and barbarous war in Viet Nam. We in this party invite the government of Canada to make a radical change in its course and in its policies. The time has come, in our view, when we cannot avoid a clearcut choice. We must decide whether we stand with the Secretary General of the United Nations or with the administration of the United States. I suggest that it is just not possible, to go along with both.

I stress the word "administration" of the United States, because it is quite obvious that the best informed and wisest citizens of the United States and an increasing number of ordinary Americans support the Secretary General of the United Nations in this matter and not the actions of the administration of that country.

What are these two alternative views, Mr. Chairman? I suggest they are pretty clearcut and quite different. Everyone agrees that the conflict should be ended as soon as possible. But the Secretary General has said very recently, very emphatically and very clearly, that peace can only be achieved—and I stress the word "only", Mr. Chairman—by de-escalation, by an end to the bombing of the north, by readiness to enter into discussions with, to quote U Thant's words, "those who are actually fighting"; in other words, with the national liberation front.

The President of the United States, on the other hand, if we judge him by his actions and not by his words, has set his face against these things proposed by the Secretary General of the United Nations. He has quite evidently accepted the advice of those who believe that a military victory can be won by escalating the military involvement of the United States, by pouring in more troops and stepping up and extending the scope of bombing. These advisers to the president profess to believe in victory achieved by these methods, or in the hope that these methods will force the North Vietnamese into negotiations.

It is our view, Mr. Chairman, that the time has come for Canada to say clearly, unequivocally and officially to the government of the United States that in our view escalation should stop and the bombing should stop. Canada's policy in the past has consisted of a cautious endorsation of United States involvement in Viet Nam, with emphasis on Canada's position as a potential negotiator through her membership in the International Control Commission.

The Secretary of State for External Affairs repeated in this house on Friday that he was going to stick to this policy. He has declined either to accept the position so forcefully stated by the Prime Minister of Australia of wholehearted support for United States actions in Viet Nam, though I think he was invited to do so by a question put by a member of the official opposition. On the other hand, he has repeated his intention not to take a strong public position on any or all of the issues involved in the present conflict, and not to take a position that would be clearly and unequivocally critical of the United States administration in its escalation of the war in Viet Nam.

It is our view, Mr. Chairman, that this policy of the government has failed. Those who doubted the wisdom of United States policies in Viet Nam have unhappily been vindicated, but they have been amply vindicated. The tragic war has dragged on with thousands upon thousands of casualties and no hope of an end in sight. Rather we have the prospect of growing involvement in tragic, useless and open-ended war.

All constructive developments in international affairs have been halted and obstructed. The United States itself has been drifting

more and more into the icy isolation against which one of her greatest commentators, Walter Lippmann, has warned. The military regime in Viet Nam, the preservation of which has been one of the alleged purposes of the war, has demonstrated again and again that its tenuous hold in South Viet Nam depends only upon military suppression and the growing military involvement of the forces of the United States.

The war, alas, has occasioned a growing hatred of the white race. One of the major casualties of the war has been the disregard of and contempt for the judgment of the United Nations as expressed by Secretary General U Thant.

It is not without significance that the most recent escalation by the bombing of Hanoi and Haiphong took place within a few days after the Secretary General of the United Nations had emphatically called on the nations involved to seek peace by de-escalation and by ending the bombing of the north. He said that was the sole means to achieve peace.

The United States government has from time to time expressed its desire to end the war by negotiation. But, how does it believe that it is possible to escalate the intensity of attack on an opponent with one hand while holding out the olive branch with the other? I suppose it may be possible to bomb an opponent into surrender or into non-existence, but how can he be bombed into genuine negotiation? This question was asked by Professor Charles Osgoode when he appeared before the United States Senate foreign relations committee on May 25 of this year, and of course there can be no answer to the question.

• (4:50 p.m.)

Escalation, Mr. Chairman, is not a one-way street. As the United States has become more and more involved, so has North Viet Nam. There are many more North Vietnamese troops engaged in hostilities right now, as well as more United States troops.

This morning, Mr. Chairman, I read in the Toronto *Globe and Mail* the statement that the United States is expecting the numbers of its troops in Viet Nam to rise by next spring to 425,000. One high-ranking officer—I presume he is a United States officer—estimates that it will take 750,000 to 1 million men before the war is won. According to this informant it will take five years before the United States can move a single military unit back from Viet Nam. I wonder whether this military informant believes that China and the U.S.S.R. will sit still during those five years when the United States will escalate its efforts, seeking to end the war by military means.

The effectiveness of the bombing is out of all proportion to its cost, both financially and psychologically. As the United States escalates the war in the hope of victory, so others are in danger of being drawn into the war in response thereto. The end, as we all know, could be a world war and an infinite human tragedy.

When I was in Washington with other Canadian parliamentary representatives a few months ago we were, as usual, entertained and treated with great generosity and friendliness by our U.S. counterparts. The question was asked at the time whether the administration's willingness to negotiate, of which we were assured, included, as Senator Robert Kennedy had suggested, willingness to indicate that the National Liberation Front would not only be included in the negotiations but might expect to have some part in an interim government that might have to be set up. The answer was given that any such proposal would amount to surrender. I would think it fairly obvious that any negotiation which did not recognize that the National Liberation Front controlled part of South Viet Nam would be asking the other side to surrender.

I have stated, Mr. Chairman, that the Canadian government has consistently refused to take an unequivocal stand in respect of the war in Viet Nam and has offered as an excuse, both to those who urge direct involvement on the side of the United States and to those who have urged that Canada should take a firm stand against the further escalation and bombing in the north, the fact that we have been for many years a member of the International Control Commission and that our usefulness as a potential negotiator is recognized by both sides to the conflict.

I confess that these arguments have from time to time had considerable weight in my mind. There is, in my view, much that can be said for the contrary argument that Canada should long ago have indicated that as both parties refused to accept or to be bound by the terms of the 1954 Geneva settlement its creature, the International Control Commission, served no useful purpose. However that may be, Mr. Chairman, it has now been made clear by no lesser person than the President of the United States, by his actions, indeed,

rather than by his words, that he puts little value on the possibilities of negotiation by Canadian representatives or by the International Control Commission.

As we all know, Canada sent one of its most distinguished negotiators, Mr. Chester Ronning, to Hanoi, shortly before the bombing of oil storage installations near Hanoi and Haiphong. A very few days before that escalation of bombing the Prime Minister, we understand, made clear the view of the Canadian government during a recent visit of Mr. Bundy who came, as I understand it, for the very purposes of checking on the results of Mr. Ronning's soundings in Hanoi. According to the Ottawa *Citizen* of June 30, in an article by Mr. Walker of the Southam News, a statement, I presume by the Department of External Affairs, was prepared for the Prime Minister to make in the house on the extension of the bombing. The statement contained these words:

I made clear—

And that is the Prime Minister speaking:

—the view of the Canadian government that any change in the scale or pattern of hostilities could have serious implications for the efforts in which we are engaged to establish common ground on which an approach to a possible solution of the Viet Nam conflict could be built.

Oddly enough, Mr. Chairman, this paragraph prepared for delivery by the Prime Minister, presumably by the Department of External Affairs, was omitted from the Prime Minister's statement to this house.

When I put these words in a question to the Prime Minister on Tuesday, June 30, the Prime Minister replied:

I cannot confirm the precise words that have been quoted by my hon. friend as reflecting the talk I had with Mr. Bundy.

Whether these were the precise words or not the Prime Minister made it clear that he would regard any escalation, any further increase in the scale of hostilities on the part of the United States, as harmful to Canada's efforts to bring about negotiations. His words, as quoted, were: "Any escalation would have serious implications for the effort we are making."

Whether or not these precise words were used, I think it is abundantly clear that the administration of the United States totally disregarded his words and has preferred to put its faith in continued military escalation.

One of the most significant things in the remarks made on Friday by the Secretary of State for External Affairs was, I take it, taken from the message that Mr. Ronning brought back from Hanoi. As I understand it, he said that the North Vietnamese are insisting, as a condition before negotiations, on one thing and one thing only. They are insisting not that the United States get out of Viet Nam, not that they stop hostilities in South Viet Nam, but that they cease the aerial bombardment of North Viet Nam, a country with which, incidentally, they are not even at war. Is this an unreasonable condition to ask, that this bombing should cease? It happens to be the condition that the Secretary General of the United Nations has asked for, as well as others to whom I shall refer in a moment.

I believe that no one in this house will want to decry the sincerity or the good faith of the efforts of the Secretary of State for External Affairs to seek a Canadian initiative in ending the hostilities. However, I suggest that the time has come for the Secretary of State for External Affairs to recognize the facts. The facts are that these initiatives have failed because they have been rejected forthrightly and outrightly by the actions of the United States administration.

A very distinguished United States senator, William Fulbright, who is chairman of the Senate Foreign Relations Committee, aroused considerable and natural irritation in his own country when he censured the administration's policy on Viet Nam. In a lecture at Johns Hopkins University he spoke of the danger that the United States gradually but unmistakably was giving in to the arrogance of power, which he said could lead to its downfall.

I suggest that if this is the fact it is imperative that men and women of good will throughout the world, friends of the United States, should make it clear without equivocation that they regard the course now being pursued by the United States of America in escalating the Viet Nam war as morally unjustified and as a danger to humanity.

Sometimes, Mr. Chairman, in this modern world—

Mr. Churchill: Would the hon. member accept a question?

Mr. Brewin: I am afraid I have not too much time.

Mr. Churchill: We shall give you lots of time. Sometimes a breathing space is helpful. Would the hon. member care to comment on a statement reported in this morning's press attributed to Senator Robert F. Kennedy who indirectly criticized Canada for playing

a neutral role in the world crisis involving the United States? Senator Kennedy said:

I'd like to . . . quote Dante. "The hottest place in hell is reserved for those who in time of crisis preserve their neutrality."

What comment would the hon. member make with regard to that invitation to Canada to participate in escalating the war in Viet Nam?

Mr. Brewin: The hon. member has rather anticipated something I was going to say. I had intended to call attention to what Senator Kennedy stated in Alberta recently, and I shall come to that later. But, if the hon. member will excuse me, I shall say this: I do think that the hon. member has perhaps misunderstood the position, because I think what Senator Kennedy was saying was that you are either for or against. I think he meant to say: Do not be neutral; the hottest place in hell is reserved for those who do not make up their minds. I do not think Senator Kennedy was saying we should be on this side or on that side; I think he was referring to the fact that we are neutral.

Mr. Diefenbaker: Where does that leave the Secretary of State for External Affairs?

Some hon. Members: Oh, oh.

• (5:00 p.m.)

Mr. Brewin: We shall leave the Secretary of State for External Affairs to worry about his own conscience in the light of Mr. Kennedy's remarks.

But there are times when although we call ourselves realists we would be well advised to listen to those who speak for the conscience of humanity. I know that the Pope, speaking for millions of Roman Catholics around the world, has urged an end of the war by de-escalation and the acceptance of negotiations. The World Council of Churches, at a meeting of its central committee in Geneva a few weeks ago, spoke for other bodies of Christians throughout the world when it issued a statement urging certain things which I suggest are the very things we have been urging in this house:

1. That the United States and South Viet Nam stop bombing of the north, and North Viet Nam stop military infiltration of the south;

2. That the United States now announce its commitment to a withdrawal of its troops phased in accordance with provisions for peacekeeping machinery under international auspices and deemed adequate in the judgment of an international authority;

3. That all parties recognize the necessity of according a place in negotiations both to the government of South Viet Nam and to the National Liberation Front.

I will leave out some of the recommendations and proceed to recommendation No. 6.

6. That all parties recognize the extent to which what is happening in Viet Nam is part of a social revolution and that, freed from foreign intervention, Viet Nam, both north and south, ought to be in a position to determine its own future;

7. That all parties recognize the futility of military action for the solution of underlying political, social and economic problems of Viet Nam and the necessity of massive and generous development programs;

8. That in order to relieve present international tension the United States review and modify its policy of "containment of communism"—

I commend this to the hon. member for Red Deer. I think it would be well for him to study this statement. The recommendation continues:

—and communist countries supporting "wars of liberation" should review and modify their policy.

Throughout the world today people and governments are beginning to unite in their efforts to make it clear that the war in Viet Nam should be ended. The uncommitted countries have made their views clear. The countries of Europe are united in deploring the recent extension of the war. The time has surely come when Canada should join with the governments of India, the Soviet Union, the United Kingdom and France to urge an end to the bombing to create conditions in which negotiation will be possible.

A universal appeal should be made to the people and to the government of the United States to heed the warnings of the Secretary General of the United Nations and of the religious spokesmen of mankind. Nobody can possibly doubt the friendliness and good will of the people of Canada and of the present government of Canada toward the United States.

At this point it would be appropriate to refer to what Senator Kennedy said the other day when he urged that Canada should speak up more clearly. It was then he made the statement to which the hon. member for Winnipeg South Centre referred about the hottest place in hell being reserved for those who in time of crisis preserve their neutrality. I suggest in all seriousness to the Secretary of State for External Affairs that the time has come for the government of Canada to pronounce publicly and clearly to our United States friends words which paraphrase other famous words in history, and to say to them: "For God's sake, stop."

Mr. Faulkner: Mr. Chairman, I shall be very brief, I share, of course, with the hon. member for Greenwood and with the hon. member for Edmonton-Strathcona concern over the implications of the extension of the bombing to the military targets adjacent to Hanoi and Haiphong. I do not think members on one side of the house are more concerned about the implications of this move than are members on the other side.

It is a concern which extends far beyond this house and it has been expressed by other governments in other countries. The consequences of the escalation, if it can be called that and not simply an extension of a military policy which has been in operation for some time, cannot be accurately predicted. However, it seems to me that in this debate an inordinate amount of emphasis has been placed upon United States foreign policy and only a passing reference, and that not very complimentary, to the distinguished efforts of the present government in the area of negotiations.

It seems to me useless as well as wrong to condemn one side in this dispute, namely, the United States, as being the sole villain in this whole sordid and tragic drama. I cannot accept the premise that the onus of responsibility for the war in Viet Nam and particularly for the continuation of the war has to be laid at the doorstep of the United States alone. I think this is wrong both historically and in terms of the contemporary situation.

The government of the United States has made more open and continuing efforts to bring about discussion or negotiations than the other side has ever done. These efforts have been supplemented by those of Great Britain including the visits by Patrick Gordon Walker and others, and the abortive effort of the Commonwealth committee on Viet Nam, and so on. These were all sincere efforts to bring the two sides together. They failed. They did not fail because the United States was unwilling to come to the conference table. They failed because representatives of the government of North Viet Nam refused to be there.

It does not seem to me to be very intelligent or fair for members in that corner of the house to place so much emphasis on the shortcomings of United States policy while glibly passing over the much greater shortcomings of the government of North Viet Nam. The United States is not the sole villain of the piece, though it may be there are shortcomings so far as its policy is concerned.

• (5:10 p.m.)

But it seems to me that if there is one place where we can expect a balanced judgment on what is going on in this war it is here in this chamber, and we are not getting it. We did not get it from the hon. member for Edmonton-Strathcona and we did not get it from the hon. member for Greenwood. Both those hon. members are urging the government to speak frankly. Both are urging on the government a course which it seems to me involves much more of a sort of public posturing than we want. What is described as dynamic leadership is really nothing more or less than rhetoric.

The basis for dynamic leadership today seems to be public statements, public positions, regardless of what those public statements or positions might do to the efforts which are taking place, in meetings both in this country and in other countries, to try to bring together the principals in this dispute.

Never in the study of foreign policy will you find that a position which is simply rhetorical, which is simply taken for the sake of absolving one's conscience, saying that in this dispute we are clean, has advanced the cause of peace. It may serve to satisfy one's conscience. We in this chamber have a compelling, immediate responsibility to confine our attention to what in practice, what in fact, we can contribute to a solution of this war. Our primary concern at this time must be not with our personal consciences and what we feel about the war but with what we can do here that might contribute in some small measure to resolve this tragic affair in Viet Nam.

I do not think we have had that yet. We have had high-sounding appeals for dynamic leadership which, when reduced to their essence, are simply high-sounding statements that we are on the side of the angels and the participants and principals are engaged in something of which we do not approve.

It is this dimension of the debate which I find so unpalatable, so unnecessary and, in some measure, so surprising because I have a great deal of respect for the hon. member for Greenwood and his judgment in this area. If you examine the pattern of international politics over a period of years one thing certainly becomes evident, that what is best, what is humane and rational in mankind does not seem to be exemplified and practised at the international level. Foreign policy is too often myopic, selfish and tendentious. There is little of what we can call altruism, the grand

gesture, at the international level, and it is within this framework that we have to operate.

It is useless to involve one's self in appeals to negotiate, in appeals to principals to do something about a war of which one disapproves. Particularly is this useless if, on the other hand, you are not in a position to try to contribute to a slow attrition of the divergence in viewpoints between the two principals.

It seems that the recent escalation, if we can call it that, has set in train implications which no doubt are very serious. It has been said both by United States senators and commentators that it is going to contribute to a hardening of the attitude in North Viet Nam. That may be so and, if so, it is regrettable. It may further provoke a hardening of the attitude of Communist China and may further estrange that country from the international community. This is profoundly regrettable. An effort has been made by our Prime Minister to point out the implications of this continued estrangement.

All this may be true, and all of this is regrettable, but what is Canada's specific position in this given situation? Is it simply to stand up before the councils of the world and lament it? Is the most sensible and the most practical position we can take to stand up and lecture, particularly when over a period of years, through selfless efforts on the part of the Secretary of State for external Affairs and previous holders of that office, we have established ourselves as a country which in the past has served as an intermediary, as a country which can offer its good offices, as a country which retains the respect of both sides?

In the course of this debate the hon. member for Burnaby-Coquitlam and, in not quite the same language, the hon. member for Greenwood have accused us of committing the crime of silence, of trying to avoid our responsibilities, of trying to avoid a public statement simply because we might offend the United States. What they prefer is an unequivocal stand. That in itself is a wrong assessment, but the hon. member for Greenwood went much further. He said that the negotiations have failed.

No one would be more concerned or more aggrieved than myself and other members on this side of the chamber if this were true, but there is absolutely no evidence that the negotiations as such have failed. They may not have been successful up to this point, but at what point does one judge negotiations as being successful or a failure? Is it not possible that it is just a shade premature to tell the government and members of the house that negotiations have failed: Is it not particularly premature for the hon. member for Greenwood to say that negotiations have failed when probably tonight the Secretary of State for External Affairs will be meeting with Mr. Polyanski? What sort of framework does that provide for these negotiations that are going on when members of this house stand up and publicly declare the negotiations have failed and lecture the United States?

Yet that is the approach taken today by one whom I have always highly regarded as an astute commentator on international politics. That is the sort of bland pronouncement he is making on an issue which concerns all of us so deeply.

The Ronning missions and the statement made by the minister the other day that he will be visiting the Soviet union are tangible, concrete evidence of a positive approach to the problem. It may not be the approach that hon. members opposite would like, but I have yet to hear a suggestion from the other side which holds out more concrete promise, not headlines but concrete promise of bringing the principals together, than the approach presently being adopted by the government and particularly by the Secretary of State for External Affairs.

On this issue we are not concerned about headlines. We are not concerned about political points. We are concerned about only one fundamental job, to bring the principals together as quickly as possible, and if anyone in this chamber thinks peace will arrive in Viet Nam before that particular objective has been reached he is flying in the face of the facts.

These are preliminary steps. They may not be dramatic and may not satisfy the demands of hon. members opposite, but in my view they are the only practical and concrete steps which a country in our position can take at this particular juncture, and I do not see that the sort of contribution we have had from the other side of the chamber contributes one jot to the solution of the problem. I contend that a foreign policy which is constituted of public statements of a high-sounding character, appealing to the principals to meet and settle their differences, may read well at home but does nothing to find a long-term solution to the problem.

• (5:20 p.m.)

I would suggest that if there is going to be more opposition on the other side they might come to grips with the fundamental question. With a middle power such as Canada which enjoys membership on the International Control Commission and has had an unparalleled measure of success in contributing to solutions of international disputes, and with a Secretary of State for External Affairs—I do not say this because I am a Liberal member—who has a record of acceptability, if you like, putting it in its most undramatic terms, is it not in this area that this country can serve its most useful purpose? If it is not, then I should like to hear suggestions to the contrary from the other side. I do not think it is useful to tell us we should be making certain statements while we are attempting to negotiate. Negotiations never have been aided and abetted by such pronouncements by the third party. The third party role is an undramatic role by definition; it is a role which demands a tremendous amount of patience, perseverance, tact and imagination. It is not a role that can be built up as a role which will excite the fancies of those who read the newspapers around the country and across the world. It is an undramatic but important role.

I think what should be coming out of this debate is an assessment of the particular role which has been created by the Secretary of State for External Affairs. I would be very interested to hear from hon. members on the other side how this particular role may be improved and refined. I think if we had that we might have a meaningful debate in this house rather than the sort of thing we have been having up until now. My position in this matter is simply that I prefer our present role for a middle power such as ours with our record. It seems to me it is the only hopeful approach which we, this government, and in fact this country can take in trying to serve some purpose in bringing to an end what we all regard as a very tragic war.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, in listening to the speech of the hon. member for Peterborough I was very interested in his constant reiterations about negotiations. He did not tell us with whom the negotiations are taking place. One can only assume he meant that our government was in the process of negotiating with the United States. If that is the case, then I am unable to understand why he still has some hope for the success of those negotiations. I would have hoped that each member of this Canadian parliament would have reacted very adversely to the treatment of the Prime Minister of Canada received at the hands of the President of the United States when he sought to place before the American people and the American government Canada's great concern about the escalation of the war. The reaction was a prompt and almost immediate escalation by the bombing of Hanoi and Haiphong. How many more times do we have to be kicked in the teeth before we realize that this kind of diplomacy just is not working?

I remember some months ago speaking to a member of the United States Congress. I asked him whether he thought it would have any effect upon the policies of the United States government if the spokesmen of the Canadian government were, plainly and bluntly from their seats in the House of Commons, to express their real dismay at and opposition to the present United States policy in South Viet Nam. This congressman told me that he could not answer that question but that he could tell me something else. He said it in these words: I can tell you that the present attitude of your government in Canada is being used today by our President to beat down the opposition to his policies in the United States Senate and the United States House of Representatives. This in effect, of course, was a suggestion that there is some effect.

I was very doubtful, Mr. Chairman, whether I would enter this debate until I heard the truly shocking speech of the hon. member for Red Deer. I found it particularly shocking, coming from someone who, shall we say, makes a very open profession of Christian principles, to find that he has become enamoured of the German pre-war theory of realpolitik which subordinates all other considerations to the advancement of the state in various parts of the world. I suppose it is hardly necessary to recite the horrors of the war in southeast Asia. The Secretary General of the United Nations, U Thant, already has described it in his view as the most horrible war in history. I think the words of this man should be listened to not only because he is the head of the United Nations, the Secretary General, but also because he is a native of one of the countries which we are told lies in the path of Chinese imperialism and which will fall tomorrow if the Americans stop their escalation of the war in Viet Nam. U Thant, as we know, is a Burmese.

I think one might be able to make out a case for acquiescing in the perpetration of these atrocities and horrors if we were able to do it in the interest of an overriding moral purpose. This always has been the apologia advanced by those promoting war. It is one I was immunized against half a century ago. I never have been able to detect any solid and enduring gains made by the world from the death and maiming of so many of my generation. It is true enough, of course, that due to the folly and dishonesty of politicians and the greed of those who have a vested interest in a certain form of economic organization, matters are sometimes allowed to reach the stage where military violence is the only course which may be open, when the dragon's teeth sown by folly, dishonesty and greed finally germinate into menacing monsters who must be destroyed if the rest of us are to survive. This in effect is what the United States is telling the world today. They are telling us that the menace of Communism is such that we must not only tolerate but support them in their indiscriminate bombing and burning of the hapless people of Viet Nam. But I suggest it is an abdication of responsibility to take anyone's word for it when we are asked to condone and support actions which fill every decent person with dismay and horror.

Just how good is the claim of the administration in Washington that it is containing Communism? How valid is the claim that Communism would otherwise expand and flow across the face of the earth? In the first place we must realize that when we speak of Communism we are dealing with an abstraction, a very vague and poorly defined abstraction, which conveys very little to us of reality and tells us next to nothing about the men and women who label themselves Communists. This is the crux of our problem with our American neighbours. They see the situation not in political, social or economic terms but in religious terms, and have convinced themselves, and seek to convince us, that what they are fighting is incarnate evil, not flesh and blood men and women. Unfortunately there are those in our own country who have become victims of this type of religious mania.

It is suggested by my hon. friend for Red Deer that the dictates of real politic compel the United States to protect their interests. Again I wonder what interest they have in south-east Asia. They may well have made out a case for their interest in the western hemisphere, but I find it difficult to believe they can make out a case for legitimate American interest on the other side of the Pacific. In fact, sir, I have reached the conclusion it is not too exaggerated to suggest that United States policies and actions in southeast Asia can be described in clinical terms, if you like, as paranoid. We are dealing with a powerful neighbour who has gone around the bend with religious mania.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

• (5:30 p.m.)

There is a frightening similarity between the tissue of lies, misrepresentations and suppression of facts which have been exposed again and again by reputable United States observers—a stream of misinformation and equivocation which has come from the State Department and from the White House—and the tissue of lies and misrepresentations produced in a shameless rewriting of history which played such a sad part in the history of the Soviet Union. There is a shocking similarity to the more simple and dynamic advocacy of the great lie which was, of course, the policy of the Nazi régime.

A slowly increasing number of United States citizens are becoming aware of this situation and of the symptoms of paranoia with growing alarm. It does seem to me that we in Canada really have a responsibility which goes beyond giving the qualified support our government gives to United States actions in South Viet Nam and which carries us to the point where we should speak bluntly and plainly to our friends and to support the growing numbers of those who feel that this policy can lead only to disaster for the world.

We have heard a lot today and for many months now about Chinese expansion. Curiously enough, we are never presented with any evidence to support that suggestion.

An hon. Member: What about Tibet?

Mr. Cameron (Nanaimo-Cowichan-The Islands): I will speak about Tibet. Do you know anything about the McMahon border that was imposed there by the British when they took over Tibet? This was regarded as only a temporary line. China did not storm into India but moved to make a correction there. This was the position taken by the Chiang Kai-shek government before the Communist revolution. This was purely a Chinese nationalist position. Rightly or wrongly, they regarded this section of Tibet as a legitimate part of the Chinese nation.

I had the pleasure not long ago, thanks to the courtesy of the Secretary of State for External Affairs, of having a long interview with one of the senior officials of his department who had recently returned from Viet Nam. I was able to ask him some questions and he gave me some very frank answers. I told him that I did not know whether he could answer one question, or that anybody could answer it, but I asked him if he would give me the benefit of his opinion. I said that we are told repeatedly that the bulk of the people of South Viet Nam support the Saigon government. I asked him what his estimate would be in this regard. He told me that I was right, that he could not give a definitive answer and that nobody else could. He said that his impression was that perhaps 10 per cent of the population supports the Viet Nam Saigon government, that 10 per cent support the Viet Cong and that the other 80 per cent wished to God that we would get to hell out of there and leave them alone. I suspected that was the position of the people of Viet Nam. I cannot imagine that they are very worked up by ideological preferences. People who have suffered 25 years of war are not likely to be worried too much about ideological niceties.

I was interested in the remarks of the hon. member for Peterborough because he displayed what to me is a shocking ignorance of the history of southeast Asia. Apparently he has forgotten the 25 years of history since the French tried to reimpose rule on what was then known as Indochina. No one at that time ever questioned for a moment that the French were faced with anything but a domestic insurgence. True enough, it was led by the Communists, perhaps because no one else would lead them or no one else was capable of doing so. The French were finally forced into defeat at Dien Bien Phu.

Then we come to some more interesting rewriting of history which leads people to speak today in this chamber as though there were either legitimately or factually two Vietnamese nations. A reading of the history of the past 25 years shows quite clearly that there was a temporary demarcation drawn along the 17th parallel which was not to be deemed as a permanent international boundary. A part of the Geneva agreement refers to elections to be held in both sections of Viet Nam.

Then we have another piece of rewriting of history. We say: Oh, well, the South Vietnamese are not bound by any agreement because they did not sign it. Of course they did not; neither they nor the North Vietnamese had any authority to sign that agreement because at that time France was the recognized power. France signed the agreement on behalf of those people and they are bound by it just as much as the French were when they signed it.

As I say, I have not yet been able to read or hear of any single incident of Chinese expansion. It may be coming, I do not know, but there has been no example given of it as yet and there has been no example presented to the International Control Commission of the United Nations of any infiltration of Chinese troops. In fact, I think it was just this morning that a report on the radio stated that the Chinese had decided they were not going to involve themselves in the Vietnamese struggle by sending troops there. I think we have to clear our minds of these things and really deal with some facts.

To me the most dreadful feature of this whole situation is that we are now embittering relations between the Asiatic people and those of Caucasian origin probably beyond repair for a generation. I cannot think that the people of Asia are going to feel able to trust the members of our race for a very long time to come. We are told of the aims and aspirations of the United States and how it seeks to develop the country under its control or under its—I think one can only use these words—puppet government in Saigon. How very curious are the things which happen in that country. Some of you may have read the story the other day of wounded Vietnamese children who require plastic surgery. You may have perhaps read that the British were prepared to take them and treat them free in the McIndoe institution at East Grinstead in Sussex. Other similar offers came from Switzerland and other parts of Europe. The only problem involved was the problem of transportation. The United States had transports travelling to Europe and were asked whether they would provide the transportation. President Johnson flatly refused to do so.

When I was in Europe about three or four weeks ago I came upon another incident of the carelessness and callousness of most of the world to the victims of this war. An organization has been set up to look after Vietnamese children who are orphans and whose parents have disappeared, including some who are wounded and ill. It may be interesting to those of you who shudder at

the word "Communism" to know that only one country agreed to take sick Vietnamese children, those who are tubercular and have other diseases. That country is Yugoslavia. Other countries were prepared to accept surgical cases but they were not prepared to run the risk of taking children who may have Asiatic diseases. Yugoslavia was prepared to take them and has now taken some.

• (5:40 p.m.)

Our main question is, of course, as the hon. member for Peterborough suggested: What should Canada's policy be? I think there can be no question whatever, after the evidence of the results of our Prime Minister's plea, that our quiet diplomacy has failed and if we are to affect affairs in southeast Asia we must seek some other method. I think sometimes we underestimate the influence and prestige of Canada in the world. I think we underestimate our prestige in the eyes even of our neighbours in the United States. I can think of nothing that would more quickly cause the American president to at least look again at his policies than if the government of Canada were to align itself with now the majority of the other nations of the world in demanding that the United States take another look at its policies and seek some way out of this appalling impasse in which they find themselves.

To return to my hon. friend for Red Deer, I would suggest that anyone who is prepared in the interest of realpolitik to ignore the sufferings of the Vietnamese, both South and North, who have been suffering this sort of thing for 25 years and now have it intensified, surely has a very strange scale of Christian values. I may be considered perhaps as impractical, but I still think that any nation that is prepared to condone this sort of thing will eventually suffer for it, and I suggest we are suffering for it today in the eyes of the world and in the eyes of ourselves, because most of us know that our self-respect has been seriously impaired by the attitude of our government in pursuing this now fruitless policy of quiet diplomacy that affects no one, does not affect events and has merely resulted in getting a kick in the teeth which every Canadian should resent.

The Prime Minister of this country does not belong to my party, but as a Canadian I bitterly resent the fact that the American President should so ignore his advice as to almost immediately, after the advice was given that the Canadian government viewed with some misgiving any escalation of the war, escalate it. How much more savagely do we want to be kicked in the teeth—because apparently we are kickable people who just come back and ask for more. I suggest that we stop asking for more and join the other peoples of the world in trying to drive some sense into those who devise the policies of the most powerful nation in the world, about which policies so many of their own people have so many doubts today, and among these people some of the really important intellectual and political figures of the United States are to be included.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Starr: Mr. Chairman, I rise not to participate in the debate on the subject under discussion but to ask the government house leader if he would clarify the situation. The government is asking for four months interim supply which would give them supply until the end of October. On the other hand, in today's Routine Proceedings and Orders of the Day there is a motion in the name of the Minister of Public Works that this house, when it adjourns, shall stand adjourned until Tuesday, September 6. If this is so, it has a bearing on what opposition there will be to granting the supply sought. If this is a firm date to which the house will recess, I think it is unnecessary that the government have four months supply. I think three months supply would be sufficient. Would the government house leader be prepared at this point, because it will have a bearing on the debate from now until we pass interim supply, to tell us what the position is?

Mr. McIlraith: Perhaps I should explain, Mr. Chairman. As hon. members know, the rules of the house provide that a motion for adjournment, other than to adjourn until the next day, requires two days' notice in writing on the order paper, and a notice for extending hours of sitting requires two days' notice. Otherwise there is a right of veto in the house and any individual member who refuses unanimous consent can prevent either of those subjects being dealt with. Consequently, a week ago I placed on the order paper a notice of motion for extended sittings with a view to having it available when the house was ready to bring this part of the session to a conclusion, but we did not proceed with the motion. When it became clear that the days I had mentioned in the notice of motion had gone by I had to draft another and give notice today of another motion for extended hours of sitting.

With regard to the date for our return after the summer recess, it is our wish to do this

by agreement. We were unable to reach agreement as to the date of our return, so I put a notice of motion on the order paper reading as follows:

That, when this house adjourns at the end of the sitting of the day on which this motion is adopted, it stands adjourned until Tuesday, September 6—

The reason for the choice of Tuesday, September 6 was that this date had been mentioned at the time we assumed the house was adjourning for the summer recess, on June 30. That was the reason for that date. Agreement was not reached among the representatives of the other parties. It was an arbitrary date put into the notice of motion so that notice would appear on the order paper, and when the subject matter did come up it could be dealt with and whatever date was satisfactory could be put in. We have already gone 11 days past the anticipated date of adjournment and we have no agreement yet as to what the date of adjournment will be.

We have two other difficulties. The reason for asking for four months interim supply was that we had intended to have the house come back on September 6, deal with second reading of the Bank Act only and refer it to committee, with the hope that the committee would meet during the following three weeks and the house could adjourn in order to permit the International Labour Organization and the Commonwealth Parliamentary Association, both of which organizations are meeting in September, to have some use of the House of Commons at that time.

I think it would meet the wishes of hon. gentlemen if we chose another date. I still do not know when we may expect to adjourn this part of the session, but I would think that a more realistic date for reconvening is the first Monday in October, namely, October 3, rather than September 6.

Some hon. Members: Hear, hear.

Mr. McIlraith: We would be prepared to conduct discussions with the leaders of the other parties on that basis right now. If we do not reach a satisfactory agreement on the point I will be asking to amend the motion when it comes before the house.

Mr. Diefenbaker: Mr. Chairman, I would hope, as the minister is in such a conciliatory mood, that he would agree to a period of three months for supply. Whether we adjourn to September 6 or October 3, three months supply would cover the situation. If we returned on October 3 we would have seven or eight days in which to discuss interim supply. I would hope, therefore, that the four months for interim supply could be reduced to three. Furthermore, although I am not one to whom the government gives information in advance—

Mr. McIlraith: Oh, you do pretty well.

• (5:50 p.m.)

Mr. Diefenbaker: —there have been strong rumours from well-authenticated sources that on the basis of the obvious disagreement that has taken place respecting the wage negotiations with the employees of Canadian National Railways, the disagreement being of such an extent that all three members of the commission have different views, it might very well be that the house would be called back in August should it become necessary to do so. That being so, I would ask the minister to reduce the period from four to three months. After all, interim supply for four months is rather unusual. If we come back on October 3 we will still have lots of time within which the government could bring before the house a motion for interim supply for another month. In that way we would come to a consensus now. If, as a result of a failure of negotiations with the Canadian National Railways employees, parliament might be called together by the government in order to assure the continuance of railway operations, there would be no harm done by reducing the period.

Let me say again that the calling together of Parliament on the railway question is not my suggestion but a rumour that has emanated from sources which have an unusual capacity of prophesying the future actions of the government. I am sure that the minister, with the most desirable purpose in mind of bringing about agreement, would not see any difficulty in reducing the four months period to three. Furthermore there is no disagreement on our part as to the alteration by amendment of the date for the recall of this house as suggested by the minister.

Mr. McIlraith: The difficulty with this situation, Mr. Chairman, is that the discussion of the Bank Act will have to get priority in October. I think that is quite obvious to everyone. The right hon. Leader of the Opposition mentioned that the house might have to be called back in August to deal with the labour dispute. I am not prepared to agree with that proposition. I hope that it will not happen.

Mr. Diefenbaker: That was not my proposition; it is just a rumour concerning the government's intention.

Mr. McIlraith: I am not prepared to rely on that rumour. If it does happen, I am quite sure that the purpose of calling back the house in August would be to meet that emergency. The house would wish its time to be available to deal with that emergency situation and not with interim supply.

The situation with regard to supply is much better at this point in the session than it has been for a good number of years. About ten departments have been dealt with in committee of supply and the final appropriation bill was passed. The study of the estimates of some eight other departments has been completed by the standing committees to which the estimates were referred this year for the first time. This is in addition to the estimates of the ten departments which have already been passed by the committee of supply.

Four other departments have been before the committee of supply, two of which have been dealt with by the committee for a short period of time. Five other departments are now before standing committees and in the process of being considered. As a matter of fact the consideration of these departments by the standing committees is almost completed. One department is being held over for a supply motion debate which will take place when necessary in the latter part of the year.

In view of the advanced stage of work on estimates I hope the right hon. gentleman will reconsider the request for four months supply. Bearing in mind also the priority we must give to the banking legislation on our return, I hope he would agree to four months supply. The supply debate could then take place in the middle of October which I think is a realistic way of approaching the business of the house. I must say this is a subject to which I have given a great deal of attention in the last two or three weeks. It seems to me this is the best way of dealing with this matter in view of all the circumstances.

Mr. Starr: I wish to say a few words regarding the proposal made by the house leader a moment ago that this parliament reconvene on September 6.

Mr. McIlraith: You mean October 3.

Mr. Starr: The original proposal was to reconvene for the purpose of considering the Bank Act and then to adjourn so as to vacate the chamber for certain activities that are to take place here. I must say that this proposal would amount to limiting the time of debate on the Bank Act. I do not think that such a very important piece of legislation as the Bank Act should be limited to one week. Its discussion may take two weeks or it may take less, but it certainly should not be limited to a specific period of time. Consequently, in view of the circumstances and the occupation of this chamber by the Commonwealth Parliamentary Association, parliament should not be recalled to consider the Bank Act in such a limited time but should be allowed the time to debate this legislation when the house is convened in October.

Mr. Diefenbaker: May I ask the minister whether the revised version of the amendment is not to call the house back in September

Mr. McIlraith: No, not in the light of the developments in the last few weeks.

Mr. Diefenbaker: I will withdraw the suggestion I made originally because my understanding at that time was that the house would be recalled on September 6 to make the Bank Act available for study in committee, and then adjourn. If, however, it is not the government's intention to recall the house in September regardless of the position of the Bank Act, then I will certainly not press for the removal of the four months period.

Mr. Lewis: Mr. Chairman, up to now the discussion on the supply motion has been on Viet Nam. I have no intention of speaking on Viet Nam. I wish to deal with another matter having to do with the Canadian Broadcasting Corporation. However, Mr. Chairman, you might wish to discover whether there are other speakers on Viet Nam or whether the Secretary of State for External Affairs might wish to answer some of the comments that have been made on Viet Nam before I proceed with this other subject.

The Chairman: It being six o'clock shall I rise and report progress?

Mr. Martin (Essex East): As I was explaining to the right hon. Leader of the Opposition, Mr. Chairman, I cannot be here tonight. If there is a discussion on Viet Nam my colleague the Minister of Industry, as Acting Secretary of State for External Affairs, will be here.

Mr. Lewis: May I call it six o'clock, Mr. Chairman.

Mr. Martin (Essex East): My hon. friend mentioned he wished to speak on the C.B.C.

Mr. Diefenbaker: I think the house realizes that the minister is not in a position to reply on this occasion because he has an appointment at 6.30 with the Deputy Premier of the U.S.S.R. We should not under any circumstances keep him away from his appointment. I hope that everything will be done to expedite his journey in this regard.

• (6:00 p.m.)

Mr. Martin (Essex East): Thank you very much.

The Chairman: Order. It being six o'clock and in order that the house may proceed to the consideration of private members' business I do now leave the chair.

Progress reported.

Mr. McIlraith: Mr. Speaker, I think there is general agreement among all parties that the private members' hour should be waived today and that we return immediately to the business under discussion before six o'clock.

Mr. Knowles: Mr. Speaker, we seem to be in agreement on just about everything today. Since it does seem that the debate on Viet Nam has come to a conclusion and that we are going to switch to another subject and since we are agreeable to postponing private members' hour, could we not agree to take an hour off for supper?

Mr. Starr: No, let us carry on.

Mr. McIlraith: Mr. Speaker, we are in a bit of a predicament. We need the interim supply bill very badly and I would be loath to take an hour from its discussion at the moment.

Mr. Knowles: We might make more progress if we were fed.

Mr. Deputy Speaker: Is there unanimous consent to defer private members' hour for today?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house will now revert to the business interrupted a few minutes ago.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

INTERIM SUPPLY

Resolved, that a sum not exceeding $1,662,982,791.93, being the aggregate of—

(a) four-twelfths of the total of the amounts of all of the Items set forth in the Main Estimates for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament, not otherwise provided for, except Finance Item 15 for which the proportion is three-twelfths, and Transport Item 103 and Loans, Investments and Advances Item L40 for which no proportion is granted—$1,252,481,028.67;

(b) an additional four-twelfths of the total amounts of Dominion Bureau of Statistics Item 10, Mines and Technical Surveys Item 40, Loans, Investments and Advances Items L75 and L80 (Schedule A) of the said Main Estimates—$4,299,333.83;

(c) an additional three-twelfths of the total of the amounts of Mines and Technical Surveys Items 15 and 70 (Schedule B) of the said Main Estimates—$1,902,250.00;

(d) an additional two-twelfths of the total of the amounts of Mines and Technical Surveys Items 55 and 75, Secretary of State Item 40, Loans, Investments and Advances Items L30 and L95 (Schedule C) of the said Main Estimates—$25,681,300.00;

(e) an additional one-twelfth of the total of the amounts of Agriculture Items 5 and 55, Finance Item 10, Fisheries Item 10, Justice Item 1, Mines and Technical Surveys Items 20, 25, 35, 45, 60, 80, 85, National Film Board Item 1, Northern Affairs and National Resources Item 15 and Transport Item 5 (Schedule D) of the said Main Estimates—$16,293,229.17;

(f) seven-twelfths of the total of the amounts of all of the Items set forth in the Supplementary Estimates A for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$193,924,378.08;

(g) four-twelfths of the total of the amounts of Agriculture Item 35a, Defence Production Item 20a, Finance Item 4a, Mines and Technical Surveys Item 40a, Transport Items 102a and 103a (Schedule E) of the said Supplementary Estimates—$5,709,522.67;

(h) two-twelfths of the total of the amounts of Finance Item 15a, Mines and Technical Surveys Item 75a, and National Research Council, including the Medical Research Council, Item 10a, (Schedule F) of the said Supplementary Estimates—$8,459,333.34;

(i) one-twelfth of the total of the amount of Loans, Investments and Advances Item L40a (Schedule G) of the said Supplementary Estimates —$966,666.67;

(j) seven-twelfths of the total of all the Items set forth in the Supplementary Estimates B for the fiscal year ending the 31st March, 1967, laid before the House of Commons at the present session of Parliament—$103,265,750.00;

(k) four-twelfths of the total of the amount of Loans, Investments and Advances Item L32b (Schedule H) of the said Supplementary Estimates—$50,000,000.00,

be granted to Her Majesty on account of the fiscal year ending 31st March, 1967.

Mr. Lewis: Mr. Chairman, in view of recent occurrences affecting the Canadian Broadcasting Corporation I feel that I should take the time of the committee for, I hope, not too long to express my views on those occurrences since this is the only opportunity I will have before the summer recess. I do so because in my opinion what has happened in

the C.B.C. recently is a sorry story, one that does no credit to the corporation. It requires airing before it is too late to correct the situation which is now developing in the most important single corporation, in my opinion, in Canada.

For what we are faced with at the present time, Mr. Chairman, is the resignation of 11 people as a result of this most recent development. They include Reeves Haggan, supervisor of public affairs, Douglas Leiterman, Patrick Watson, Robert Hoyt, Ken Lefolli, James Carney, Gabriel Michaelides, Beryl Fox, Larry Zolf, Stephen Patrick and David Ruskin, many of whom are recognized as being some of the most talented producers and writers with the Canadian Broadcasting Corporation. We have also had the burial of the program "This Hour Has Seven Days", which while by no means a perfect program was without doubt the most important and most popular program produced by the corporation.

Because these events are the immediate result of what has recently happened in the C.B.C. I feel impelled to make some statements with regard to the situation. I am confident that what has happened has shocked the Canadian people. I am also confident that what has happened is an indication of such mismanagement by the corporation in its most delicate area of work that members of parliament must be concerned about the matter.

I entirely agree, Mr. Chairman, with the statement of the Secretary of State and of the broadcasting committee and with many other statements in many other places that the government ought not to interfere with the running of the C.B.C., and that parliament should not interfere with the day to day operation of the corporation. But I suggest to you that if there is a case, as in my view there is now a case, of utter mismanagement of an important situation, which I shall try to document in the few minutes I will take, then it is for parliament to discuss the matter and if necessary to take some steps in connection therewith.

I want to make clear first—I do not think I need to do so but I want to do so for the record—that I, like most members of this house, have, if you like, the most passionate feelings of support for the role of the Canadian Broadcasting Corporation and for the contribution that that great institution has made to the cultural and artistic development of this country, as well as its contribution to the dissemination of information and to public discussion and debate.

I also want to make clear that despite the various things I had to say in the broadcasting committee about the "Seven Days" programs which I happened to see, and I saw many of them, I did not necessarily subscribe then, nor do I necessarily subscribe now, to every segment of the program every week I saw it. There were some parts of the program which I thought were in poor taste. There were other parts of the program which other hon. ladies and gentlemen might have thought in poor taste. But that is irrelevant to the essential fact that the program "This Hour Has Seven Days" was, first, a most popular program which attracted over three million viewers, twice as many as any other program in the history not only of the corporation but of any other Canadian program.

Second, the program "This Hour Has Seven Days" had a great many aspects of imaginative, adventurous and useful presentation of fact, opinion and controversy in this country.

Third, I do not defend, nor do I feel I have to defend, all of the actions of Mr. Leiterman and his associates since their difficulties first arose. Indeed, I do not hesitate to say that despite my great admiration for Mr. Leiterman and most of his associates it is my opinion that some of the things which they said and some of the steps which they took were ill-considered and might not have been said or taken. That again is irrelevant to the basic issues. Those who, both in the press and in this committee, attempt to get away from the basic issues, which I think are clearly there, by saying that the producers acted wrongly here or acted wrongly there seem to me to be doing a disservice to the C.B.C. and to the major aspect of and the reason for the existence of the Canadian Broadcasting Corporation, about which I shall say a few words, mainly in the language used by the white paper which was tabled by the Secretary of State.

• (6:10 p.m.)

Finally, it is not to be considered, because I am exceedingly critical of many things that management has done and the way in which it has done them, that I am condemning wholesale everybody and everything to do with top management of the C.B.C. In fact, I have always been highly impressed by the intelligence and dedication of the president, Mr. J. Alphonse Ouimet, whom I have had

the pleasure of knowing for a good many years. I do not for a moment deny the very important contribution he has made to the development of the C.B.C. in many directions.

Nevertheless, Mr. Chairman, and these are the points of importance and relevance to the present unhappy and sordid situation in the Canadian Broadcasting Corporation, I suggest to this committee that the evidence is absolutely clear that there was in the first instance, when Watson and LaPierre were removed from "Seven Days", admitted mismanagement, and insensitiveness in the way in which they were removed. And in what has happened in the last few days there was on the part of top management of the C.B.C., and I choose my words carefully, nothing less than vindictive, reckless behaviour, with the result that irreparable harm has been done to the Canadian Broadcasting Corporation, particularly to the important and delicate public affairs department, in the loss of important talent to the corporation and in the resulting widespread loss of morale throughout the creative and production personnel of the corporation. This is why there have been wholesale resignations.

I said that in the first place there was gross mismanagement in the Watson and LaPierre matter. The evidence before the broadcasting committee of parliament clearly and fully justifies my statement. There was gross mismanagement in four directions, every one of which is fully supported by the evidence which any member can read in the proceedings of the broadcasting committee.

As we were told by the president and by vice president Walker when they gave evidence for top management, the problem of "Seven Days" had been with the corporation for two years. Anybody on the broadcasting committee who had had any experience with organization found it impossible, I am sure, to understand how management of the corporation could let things slide for two years, if there were problems, without doing anything decisive about those problems.

Second, and more important, Mr. Chairman, there was an admitted breach of necessary procedures. This was admitted during the evidence before the committee and is indicated in the report of the broadcasting committee, which pointed out that there had been for more than one year an unwritten understanding between top management and the producers that no member of a production team would be fired, turfed out in any way, without consultation with the producers or executive producers. Captain Briggs admitted to Mr. Keate that that was so, as Mr. Keate points out in his report, and Mr. Ouimet admitted in evidence before the broadcasting committee, as did Mr. Walker, that there was this breach of necessary procedure in the corporation and that top management entirely ignored the breach and refused to do anything about it.

This was not a formal matter. The line of communication which had been created between top management and the producers was not merely a formal procedure that had to be gone through step by step. It was seen, as one reads Mr. Keate's report and as one reads the report of the broadcasting committee, that a need for communication existed, and that it was of the essence of the possibility of creative people doing their job at all. Indeed, there was not merely an understanding between the producers' association and the corporation. The contracts for executive producers which were filed with the broadcasting committee made clear that such contracts contained the provision that the executive producer or the producer, as the case may be, had the responsibility for the selection of scripts and principal artists.

The line of communication to which I have alluded was not merely an understanding but was actually a requirement of the contract with, in this case Douglas Leiterman. Yet what happened? Mr. H. G. Walker himself, without speaking to Mr. Leiterman, without assuring himself that Mr. Leiterman had been consulted—this is in the evidence—jumped over Mr. Leiterman, spoke directly to Mr. Watson and told him that his contract with "Seven Days" would not again be renewed. Everyone who has dealt with this matter, and particularly Mr. Keate, has expressed regret that this breakdown in communications took place.

Without taking time to read any section of Mr. Keate's report, may I say that any hon. member can satisfy himself that he expressed regret that this had happened, as also does our committee's report.

Third, Mr. Chairman, and this perhaps is the serious part of the mismanagement of the whole affair, if management was dissatisfied with "Seven Days", if management felt that something had to be done about the content of "Seven Days", then obviously it had to discipline, if it was going to discipline anyone, those responsible for the content of "Seven Days", namely, the producers. What

did management do? Instead of doing anything about Mr. Leiterman or Mr. Hoyt or Mr. Lefolli or the director or anyone of those responsible for the content of "Seven Days", it fired the two hosts. Yet the evidence before the broadcasting committee was clear that every word Patrick Watson and Laurier LaPierre spoke as hosts was scripted for them. They did not write a single word. They did not say a word that was not written for them. When they were conducting their interviews, in every case they were pre-taped and were later edited by the producers. Again, those two men had no responsibility for what appeared on the screen.

When these facts were pointed out to Mr. Ouimet and to Mr. Walker, they gave different reasons for firing LaPierre and Watson. They said it was not as a result of any attempt to improve "Seven Days" at all; it was because they felt that LaPierre was not a good interviewer, because he wore his feelings on his sleeve and conducted interviews to the detriment of the person interviewed. So far as Watson was concerned, they wanted to separate him from Leiterman and that was why Watson was fired. I submit, Mr. Chairman, that never in my lifetime have I heard so weak and indefensible a defence of an action that could not otherwise be explained. If anyone was to be disciplined for "Seven Days" it should not have been Watson and LaPierre. The management which did what it did is clearly guilty of extreme imcompetence.

• (6:20 p.m.)

I will return to that in a moment, but I turn now to my fourth point concerning the most astonishing piece of mismanagement of all. The evidence is clear that when it was suggested to Mr. William Hogg, the director of news and public affairs, and to Mr. Haggan, the supervisor of public affairs, that something should be done about Watson and LaPierre they said in effect,—I am paraphrasing, but it is all in the evidence and I am paraphrasing accurately—"let us not do it now; let us wait until the season is finished or almost finished, because if we do it now it will interrupt the work, it will do harm to the program, it will create a fuss; let us wait four or five weeks until we are near the end of the season." It should be clear to a schoolboy that if top management had had the elementary common sense to wait until the season was almost over, say until May 7 or 8 instead of April 6, and then had said that in the fall the program would begin again with whatever personnel they chose, all the fuss and bother which has occurred would never have occurred.

Surely it did not require a genius to see that the request of Mr. Hogg and Mr. Haggan that the matter be left alone for a few weeks was reasonable and sensible. But not Mr. Walker. Whether or not Mr. Ouimet or Captain Briggs were responsible for Mr. Walker acting like a bull in a china shop, as he did again the other day, I do not know. But I do know that any management which times its action so badly, which takes action against the two people who were identified in the public mind with the program but who were innocent in regard to the results of the program about which management was being critical, any management which does that shows an incompetence, indeed, a recklessness of which this parliament must take note.

It also seems clear to me as a citizen who has never had occasion except in friendship to deal with men and women of creative talent—I have had the pleasure of knowing many of them—

Miss LaMarsh: And dealing with them professionally.

Mr. Lewis: Yes, I have dealt with them professionally, as counsel for ACTRA in particular.

Mr. Prud'homme: Ah, ah. That is interesting.

Mr. Lewis: The hon. member says that as though he did not know it. I made it clear to the broadcasting committee and I make no apologies for it either.

Mr. Prud'homme: I just said it was interesting.

Mr. Lewis: I am glad something I say is interesting to someone. As I say, I have known many of them and dealt with them, but I have never had occasion to direct or supervise or have that kind of association with them. But I do know it is obviously impossible to deal with creative people in an organization like the CBC, as it was suggested though not proven before the broadcasting committee that a management person had declared, the same way as you run a canning factory. The reason for the requirement of constant communication between producers and top management is not merely for formal purposes but because it is impossible to get the best out of creative people, whether they

be reporters for a newspaper or producers for a broadcasting corporation, if they are treated as mere units, if their ideas are not carefully considered and if they are not carefully consulted about their program and their work.

The objection, therefore, to Mr. Walker jumping over the shoulders of the producers to go after Watson and LaPierre in the way he did is not merely an objection, as Mr. Walker and Mr. Ouimet tried to make out, because certain formal procedure had been abridged. It is based on the fact that an important part of the work was ignored and an important way in which to make the work effective was entirely disregarded.

Everybody agreed that the "Seven Days" program should continue. Mr. Ouimet told the committee on many occasions that he wanted it to continue, but improved, cleansed, if you like. Mr. Walker emphasized that he wanted "Seven Days" to continue. Mr. Keate in his report said by implication that "Seven Days" is an important program and should not be lost. The broadcasting committee report says by implication, as I read it, that such programs as "Seven Days" ought to be on the screen this fall by asking the corporation to make sure that adventurous public affairs programming will be carried on this fall.

Indeed, the C.B.C. board of directors itself in a statement issued on May 27, 1966, which is an appendix to No. 18 of the committee's proceedings, says, as found on page 1098, that the board supported management's position with regard to Watson and LaPierre out of a deep concern for the maintenance of C.B.C. policies and to continue with the program "Seven Days".

Everybody wanted "Seven Days" to continue. But what was the result? The result is that "Seven Days" is now dead. It will not continue. And I cannot escape the suspicion that when Mr. Ouimet and Mr. Walker told us and when Mr. Ouimet told Mr. Keate, as Mr. Keate says in his report, that they wanted "Seven Days" to continue, they were talking with tongue in cheek and had no intention of letting the program continue this fall. They were playing a game with the parliamentary committee and with Mr. Keate and were being less than honest both with Mr. Keate and with us. This is a shameful thing, I suggest, for important executives of an organization like the C.B.C. to do.

May I also point out that everybody concerned agrees that Leiterman and Watson are brilliant producers. The board of directors of the C.B.C. in the same statement at page 1097 says:

> In management's view, both Mr. Leiterman and Mr. Watson are very able and highly talented.

But these very able and highly talented men have now been forced out of the corporation. One was, in effect, fired and the other was forced to resign. The directors go on to say as found on the same page:

> "Seven Days" was largely their creation and together they gave it a character and thrust which were to some extent at variance with C.B.C. policy. In an effort to overcome this management decided to separate them. It might have moved either one. After considering the alternative, it decided to leave Mr. Leiterman with "Seven Days" and to give Mr. Watson a new assignment.

This was intended at one time to be called "Quarterly Report". Whether or not it will appear in view of recent events is a different story.

• (6:30 p.m.)

Mr. Keate, at page 19 of his report, quotes President Ouimet of the C.B.C. as saying when asked, "Why did you fire Watson and LaPierre—why not Haggan and Leiterman":

> We recognize that Leiterman is a brilliant producer an we believed in the show. We felt that it could be improved. When we took a firm line, the show improved and its ratings climbed steadily upwards.

This is the man, speaking to Mr. Keate as he spoke to the broadcasting committee, who is responsible for getting rid of Leiterman and forcing the resignations of Watson, and Beryl Fox who produced the show in which he said he believed.

It is the same with regard to Mr. Haggan, and I think it is important to put these things on the record. At page 17 of his report Mr. Keate, a publisher of a newspaper and a man whose writings suggest he has a highly subtle mind, says:

> The C.B.C. Toronto public affairs supervisors, Hugh Gauntlett and Reeves Haggan, impressed me as highly intelligent and dedicated corporation people who felt it their duty to express their disagreement with C.B.C. policies which led to the non-renewal of Watson and LaPierre.
>
> In so doing, they have clearly laid their jobs on the line. Mr. Haggan, in particular, has stated that it is virtually impossible for him to conduct a reasonable and intelligent conversation with his senior officer, Mr. Walker.

Without intending to be more offensive to Mr. Walker than the circumstances force upon me—I put it that way because I do not want to sound hypercritical—I have yet to read any favourable remarks about Mr. Walker's contribution in this situation. But

Mr. Walker is still there, I understand at present on holidays, while Mr. Haggan, this highly intelligent and dedicated corporation person, is out. This is what has happened in the C.B.C. during the last little while.

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Miss LaMarsh: Let him continue.

The Deputy Chairman: Is it agreed that the hon. member shall have leave to continue to speak?

Some hon. Members: Agreed.

Mr. Prud'homme: How much longer will you be?

Mr. Lewis: I think if I finish my notes it will take 15 minutes. If that interferes with someone else I can return to the subject later.

I want to deal very briefly with the problem of broken communications related to the present mess that occurred only in the last few days. Instead of taking time to quote I shall simply refer hon. members to pages 10 and 23 of Mr. Keate's report. I also ask them to look at page 1096 of volume 18 of the broadcasting committee minutes and the statement of the C.B.C. board of directors. I also invite hon. members to look at the proposal which management agreed to with regard to communication. From all these they will find that without exception everyone, including the members of the broadcasting committee, underlined the fact that there had been a breakdown of communication between top management and the producers. This fact was underlined not only by Haggan, Leiterman and Watson of the English speaking network but also by Thibault and his associates in the French speaking network. Yet what happened very recently, Mr. Chairman?

I am informed, and I am certain this is the case, that the Toronto public affairs department presented top management of the C.B.C with a memorandum containing a proposal to end the difficulties and to come to some understanding that would promote the work of the public affairs department. I am not interested whether they were right in their proposal or not, but I understand that in it the Toronto public affairs department, with the understanding or consent of the Montreal public affairs department, made concessions to management.

For example, they agreed that LaPierre should not come back as a host. They agreed that Watson be taken off the editorial board and any other agency connected with "Seven Days" which had anything to do with policy, the execution of policy and the programming of "Seven Days". They made other concessions of that sort. It does not matter whether their proposal was good or bad. I am not here to judge that. What matters is that right up until this moment Mr. Ouimet and his associates have not found it necessary to hold any discussions on this proposal with Mr. Haggan, Mr. Gauntlett, Mr. Thibault or anyone else representing the public affairs department.

Despite the admission of Mr. Ouimet that communications had broken down, despite the statement of Mr. Keate, and despite the statement of the broadcasting committee, Mr. Ouimet and his associates, Mr. Walker and Captain Briggs, continue to ignore the breakdown in communications. Even when given an opportunity to hold discussions with the people concerned to see whether or not they could arrive at some kind of solution that would retain this talent for the corporation and for the program "Seven Days," and thus improve the general morale, the breakdown in communications persists.

As is indicated in various reports, and particularly in an article by Christopher Young in last Saturday's Ottawa *Citizen*, Mr. Leiterman was first given until five o'clock on Friday to decide whether he would accept a proposal to renew his contract under certain conditions and, if not, whether he would head up a new "Document" series which the corporation would let him produce, but suddenly the Friday five o'clock deadline was brought forward to four o'clock on Thursday. Further, when he was given a new condition for his contract, as Mr. Young points out, and asked management whether he could have 24 hours to discuss it, management said no.

Again, all the requirements of communication were broken, undoubtedly because Mr. Ouimet and his associates, not the board of directors, it seems to me, but the top management on Bronson avenue, had decided Leiterman had to go, that "Seven Days" had to go, and they did not care what the consequences were in terms of the loss of talent to the C.B.C.

I should like to quote from the article by Christopher Young in last Saturday's *Citizen*:

> It seems transparently clear that this elaborate trickery was designed to get rid of Leiterman without actually firing him. It was typical of head office methods throughout the dispute. Regardless of

what one may think of the "Seven Days" program or of its producers, these methods surely demonstrate to the public and to the government why the C.B.C.'s management is not trusted or respected by its working staff.

The result of all this can be summarized in the following, and I rush to my summary so as not to take more time than I said I would. First, the C.B.C. lost, and it may be that Canada will have lost, a group of talented people. No doubt there are other talented people on the staff of the C.B.C., and I have no doubt other talented people will develop and come to the C.B.C. No person, no group of people is indispensable to the C.B.C. or to any other organization, but in the meantime this group of highly talented people is lost to the C.B.C.

To what purpose? What has the corporation gained? I suggest to you, Mr. Chairman—again I choose my words carefully, even though they are strong—nothing except obviously the vindictive satisfaction of some members of top management in hitting back at those they probably hold responsible for causing them some discomfort in the last few weeks.

• (6:40 p.m.)

The second result of all this terrible behavior of top management is that the most important and most popular program of the corporation, "Seven Days", is lost. It is not to be improved as Mr. Haggan said it should be improved. At page 498, No. 8 of the minutes of proceedings and evidence of the committee on broadcasting, films and assistance to the arts, Mr. Walker quoted Mr. Haggan from a memorandum prepared by the latter and presented to top management as to the ways in which he would like to improve the program "Seven Days" and Mr. Walker ended by saying he could not have said it better than Mr. Haggan put it in his memorandum. Yet Mr. Haggan will not be there to improve it, Mr. Leiterman will not be there to produce it, and the program will not be there. What will we have in its place? Some bland, unexciting and probably quite unuseful, if I may use a word less offensive than "useless", program such as some hon. members may have seen last night in place of "Compass".

As have other hon. members, Mr. Chairman, I have followed with interest the work and development of the C.B.C. I have observed it now for at least 35 years and I believe one of the major contributions of the C.B.C. always has been in the development of greater unity in Canada through the dialogue between English and French speaking Canadians. One of the major parts of this contribution was a program to be developed in 1967, our centennial year, and to be called "Quarterly Report". It was to have been a bilingual and bicultural program. Whose idea was it? According to the evidence before the committee it was the idea of Mr. Haggan and Mr. Thibault, Mr. Pat Watson and some French network producers. How was it to be produced? It was to be produced by the group which produced "Seven Days" and the group that produces "Le Sel de la Semaine" on the French network. But Mr. Haggan and Mr. Watson are gone; the "Seven Days" group is gone. I venture to say that the program "Quarterly Report" is gone despite the fact that it was to be not only one of the major contributions to the dialogue between English and French speaking Canadians but, as it were, a merging between English and French speaking parts of the country. This is but one result of the insane, vindictive behavior of the management of the C.B.C. in the last few days.

The ills of the corporation to which I refer are recognized not only by the members of the broadcasting committee. These ills of the C.B.C. were recognized, indicated and described by the Glassco commission report, by the Fowler committee report and, most important of all, by the president's own study group headed by Mr. M. A. Harrison who gave evidence before the broadcasting committee. I suggest that by implication the white paper of the Secretary of State and the government also criticizes these ills in the C.B.C. All of these things were before top management, the Glassco commission report, the Fowler committee report and the report of the president's study group, as well as the parliamentary committee report and the white paper. All these things were ignored by Mr. Ouimet, Mr. Walker and their associates.

I say to you, Mr. Chairman, and through you to the Secretary of State that while I agree entirely that neither parliament nor the government should interfere with the internal administration and day to day operation of the corporation, the management of the corporation is a government responsibility. The persons who head the corporation are appointed by the government. It does not matter whether it is the present government or a previous government. The government has responsibility for those who are appointed to

manage the corporation. I suggest that neither the Secretary of State nor the government nor the members of this committee can ignore the irreparable damage which has been done to the Canadian Broadcasting Corporation by those who have been entrusted with making it work and making it work for the benefit of Canadian people.

Unless steps are taken now to redress the wrong which has been done to the people of Canada by the loss of this roster of important talent to the C.B.C., and unless steps are taken now to get rid of the top management of the C.B.C. and their recriminations in dealing with the creative and production people of the corporation, the Canadian Broadcasting Corporation will become, as my leader the hon. member for Burnaby-Coquitlam suggested the other day, a corporation with a great number of executive people and no talent. That is the dangerous position in which the whole behavior of top management of the C.B.C. has placed the corporation.

I think it is time we ended all these illnesses in the C.B.C., the failure of communication between top management and the producers, the lack of confidence from the top to the producers and from the producers to the top, and the unhappy situation at the middle management level. All of these illnesses in the C.B.C. have been pointed out for years now, but the intelligent, durable head of the corporation, the president of the C.B.C., Mr. Ouimet, goes on ignoring these reports and remains durable to the detriment of the corporation and to the detriment of the development of Canadian talent and Canadian creativeness.

[*Translation*]

Mr. Prud'homme: Mr. Chairman, would the hon. member allow me a question?

Mr. Lewis: Certainly.

Mr. Prud'homme: Does the hon. member think he has helped—

Mr. Lewis: Just a moment, I cannot hear you.

Mr. Prud'homme: Does the hon. member think he has helped find a solution for the benefit of all Canadians by what he has just said?

[*English*]

Mr. Lewis: I think so. I think the Secretary of State and the government ought to take steps in respect of the president of the C.B.C., who is an appointee of this parliament and this government, and when I say "this government" I do not mean the one in power at the moment but the government of Canada. In my submission, Mr. Ouimet should be spoken to by the government and told, not asked any more because he has ignored suggestions, that the situation in the C.B.C. must be reviewed and that the talent which the C.B.C. has lost must be gained back in order that the purposes of the corporation for the benefit of the Canadian people may be fulfilled.

Mr. Sherman: Mr. Chairman, I rise to deplore a situation which has developed in the conduct of the affairs of the C.B.C., as the hon. member who preceded me deplored a situation. I deplore it from the opposite side of the chamber and indeed perhaps the opposite side of the Canadian national political spectrum from that on which he stands. I deplore the situation of rebellion and threat of anarchy that has crept into C.B.C. operations in the past few weeks arising out of one of the most colossal displays of petulance and temperament that it ever has been our misfortune as television viewers, newspaper readers and broadcasting listeners to experience in our lifetime.

I do not for one moment defend the action of management in the events leading up to the "Seven Days" chaos. I do not defend this action of management because, although management has the unquestionable right to manage, as all of us have insisted from time to time, it does not have the right to botch and mismanage; and this is what happened in the "Seven Days" situation. Furthermore, I have little sympathy for a management that got itself into trouble by placing in positions of authority over creative people narrow-minded bureaucrats who have no comprehension whatsoever of the creative mind, the creative spirit and the creative temperment.

• (6:50 p.m.)

But having said that, Mr. Chairman, I would also say that I have no patience either with creative people who deliberately set themselves upon the path of obstructionism and rebellion for the sake of obstructionism and rebellion. And this is what happened in respect of the latest situation regarding the C.B.C. public affairs and "Seven Days" crisis.

The hon. member for York South has talked about creative people whom he has known. I have known some creative people too, and I dare say that everyone in this

chamber has known and worked with creative people in their jobs outside this chamber either prior to or since coming here. The creative spirit is a spirit that all of us admire and desire in this country. It is probably the single indispensable spirit in the world. The artist certainly makes us what we are. But there is a difference between a mature artist and an immature artist.

The producers of the C.B.C. "Seven Days" unit and other producers from the public affairs area have enjoyed considerable public sympathy in the past few weeks, both at the outset of their dispute and subsequent to the height of the "Seven Days" crisis. They enjoyed a sympathy which was generated in their behalf because of the C.B.C. management's aptitude for ineptitude in the business of managing a broadcasting operation. But I have no hesitation in suggesting that such individuals as Messrs. Leiterman and Watson, Miss Beryl Fox, and the rest in that group of eight or nine, dissipated all the good will they had acquired, by their petulant, precipitous outbursts of last week when they all resigned.

Someone has said that the difference between an immature man and a mature man is that an immature man wants to die for a cause while a mature man wants to live for one. This proverb best expresses, in my view, the thing that is wrong with the temperamental rebels of C.B.C. public affairs who are pouting on the sidelines voluntarily this week.

The problems of the C.B.C. are problems that go a great deal deeper than those that revealed themselves in the "Seven Days" crisis. As the Secretary of State said, the "Seven Days" situation was just the tip of an iceberg. The iceberg, I suggest, is far more serious than many Canadians imagine. The biggest thing wrong in the C.B.C., in my view, is that irresponsible producers have been allowed their heads too long by a management that is either blind or hamstrung by politics.

The hon. member for York South said that Messrs. Watson, Leiterman, et al are brilliant producers, and he quoted many references which used that term. I think I need hardly remind the erudite member for York South that brilliance is no excuse or justification for immaturity and irresponsibility. At the least these producers have only been guilty of irresponsibility and immaturity. At the worst they have been guilty of the insidious spread of destructive propaganda.

The hon. member for York South quoted editor Christopher Young of the Ottawa *Citizen* to buttress his argument in defence of the C.B.C. producers. I suggest that editor is a rather questionable oracle and a questionable source. Mr. Young has never made any secret of his own political philosophies. They do not run perhaps as far to the left of the spectrum as those of the hon. member for York South, but certainly they run substantially to the left of the position that I and several other members of the broadcasting committee hold. The hon. member quoted from the Ottawa *Citizen* and Mr. Christopher Young so perhaps I can be permitted the indulgence of the committee to quote from an oracle which I think in this context is considerably more authoritative. I refer to the Winnipeg *Free Press*.

Miss LaMarsh: Oh, oh.

Mr. Sherman: I agree with the sentiments inadvertently expressed by the Secretary of State. She is doubtless aware that the Winnipeg *Fress Press* and I do not always see eye to eye, although we both stand for Winnipeg and what can be good and great about Winnipeg. I suggest, however, that in this context the Winnipeg *Free Press* is a substantially reliable authority precisely because its political philosophy is inclined to the left of that philosophy to which I and some of my colleagues on the broadcasting committee adhere. I refer to the stand we took in respect of management's rights in this situation.

Mr. Lewis: The same position as Christopher Young took.

Mr. Sherman: The hon. member for York South suggests that it is the same position as that which Christopher Young took. I doubt if the positions are precisely the same, but I will accept the hon. member's remarks because I think he will find this editorial from the Winnipeg *Free Press* of July 5 instructive and provocative. The editorial under the heading "C.B.C. News" reads as follows:

> Recently, at the centre of a bitter C.B.C. dispute, the question of editorializing by the corporation's hired hands became an issue. That is, as distinct from the hands the corporation is bound to hire to do some editorializing in their own behalf, as professional commentators.
>
> How long must we wait before the C.B.C. restores its new broadcasts to news reporting and leaves the comment to the outsiders it invites to take the air?
>
> In reporting on the difficulties faced by Mr. Wilson with respect to his support of U.S. policy in Viet Nam, Mr. Michael Maclear in London but formerly of the Far East, betrays the gift of sight and

dwells on the inner intentions of the Red Chinese. According to the stand taken by the C.B.C. executives, the C.B.C. and its staff have no such insights and ought not to have. The job of a reporter, even a C.B.C. reporter, is to report.

Mr. James M. Minifie from Washington, puts more editorial opinion into his tone of voice than any other C.B.C. reporter, but he excelled himself as the filterer of meaning when he reported that the National Council of Churches in the U.S.A. "representing 41 million members" of its constituent churches, had called upon ministers to protest the Hanoi bombings.

The National Council of Churches does not in fact "represent" anything. It is an ecclesiastical body that exists for certain practical purposes in the areas of consultation and co-operation. Its opinions mean no more than that they are the opinions of the people who expressed them. Yet the import given by Mr. Minifie to their resolution was that 41 million American churchmen had joined the hue and cry against the bombing of oil depots and other military targets in North Viet Nam. The impression spread abroad in Canada, that the American people are increasingly hostile to the U.S. commitment in Viet Nam and to the way it is being carried out, is due in considerable part to people like Mr. Minifie of the C.B.C. and to the slanted choice of Canadian and American commentators who seem to represent almost constant hostility to the U.S. position in Asia.

The C.B.C. was once a reliable and unbiased reporter. That cannot any longer be said of it and it is time the matter got the attention of whatever vice presidents have any mind left for their jobs.

The hon. member for York South will now perhaps appreciate the implication of my suggestion that this is a provocative report considered in the context of that journalistic oracle from which it came. I doubt that even Mr. Young of the Ottawa *Citizen* has ever taken that honest, conscientious, introspective and objective a view of the malaise—if I may borrow that term again from the report of the broadcasting committee; and I refer to the true malaise—that affects the Canadian Broadcasting Corporation, and through it the moral fibre and fabric of this country.

• (7:00 p.m.)

I suggest that over the past few years a cant has been allowed to develop in C.B.C. public expressions and articulations that is damaging and dangerous to this country, and the very reputation of the C.B.C. is at stake. I cite once again the editorial from the Winnipeg *Free Press* to which I have just referred. I have heard quite frequent references in discussions with journalists whom I know, and with some of whom I have worked in the past, on this particular subject of C.B.C. news, news reputation and news integrity. There is no question in the minds of some of them that the manner in which C.B.C. public affairs programming, programs like "Seven Days" and certain interviews have been conducted has been damaging and detrimental not only to C.B.C. news but to the news profession in general.

I do not think anyone in this chamber can deny that in certain instances public affairs interviews on C.B.C., particularly on "Seven Days", have been little more than exercises in verbal assault and battery and bludgeoning of the interviewed subject. In consequence, a number of young reporters—and I have spoken to some of them of tender years—men and women of conscience, who were trying to learn their trade, have come to the conclusion that this is the way interviews should be conducted—that this is the way one goes about getting the facts of a story. Anyone who has had any passing acquaintance at all with the profession of journalism knows that this is arrant nonsense and, worse, it is destructive nonsense.

I think the very integrity of C.B.C. news is at stake in this issue. I know there are certain legitimate newsmen in the C.B.C. who are very concerned with the deleterious effect that C.B.C. public affairs programming in the interview field has had on their work and professional reputations in this country and the United States.

The reputation of the C.B.C. as an international broadcasting operation, and more than that, as a news-gathering operation, was once one of the highest to which anyone could aspire in that field in the world. I do not think anyone would deny that in our lifetimes the C.B.C. developed a reputation and a name beyond reproach in the field of public affairs, news interviews, general broadcasting operations and the general field of story coverage. I suggest that this reputation, this stature, is now facing considerable threat and is in danger as a consequence of some of the techniques which have been allowed to develop, which have been allowed to come to fruition by weak management or hamstrung management in the C.B.C., and which have been expressed and articulated through this production group which was at the root and core of the "Seven Days" crisis this spring.

So what there is wrong with the C.B.C. basically, in my view, is a loose rein in management's hand. I suggest that the country will be better, that the reputation of the C.B.C. will be better, that the news fraternity and the journalistic and broadcasting professions in general in this country will be better, and everyone will be happier, if the eight producers who resigned last week from the

C.B.C. are allowed to remain resigned, and if the C.B.C. gets on with the job by delegating production responsibility for those disputed programs to other production centres and units in Winnipeg, Halifax and Vancouver if need be.

I think the opportunity is at hand to strike at the heart and the root of the C.B.C. problem, and if we attempt to exercise it now the C.B.C. will be restored within a very short period of time to the stature and level of estimation it has always enjoyed. I suggest that this is the course that members of this house and the broadcasting committee in general should take in the weeks ahead. The browbeating, the petulant rebellion, the immaturity has gone far enough. At this point, although I have attempted in my services on the broadcasting committee to remain objective—and I do not think I am the only member of that committee or the house making this confession—as far as the C.B.C. producers of the "Seven Days" unit are concerned, I say goodbye and good riddance.

Mr. Mackasey: Mr. Chairman, my remarks will of necessity be very brief. I am rather surprised, as a matter of fact, that so late in the session we should be discussing, in a period of time as important as interim supply, the problems that have confronted C.B.C. not only for the last few months but, as the previous speaker mentioned, for the last couple of years. I would have thought that in view of the report brought down by the broadcasting committee, in view of the Keate report, in view of the White Paper and in view of the report tabled by C.B.C. management, we would have exhausted the subject of the Canadian Broadcasting Corporation in general and "This Hour has Seven Days" in particular.

Reference was made earlier to the political leanings of the hon. member for York South as opposed to the political leanings of the hon. member for Winnipeg South, and I wonder just where I stand when I say—and I hope someone does not say "on the fence" —that I agree with both hon. gentlemen in their appraisal of what has happened in the C.B.C. First of all, very early in the committee meetings—and there were 22 or 23 of them—I expressed the opinion, in examination I believe of the president, Mr. Ouimet, that I was rather surprised that management had waited so long to manage. I expressed the opinion and the dismay that Mr. Ouimet had waited so long to rectify what must have been for management an intolerable situation.

I think it was obvious to all of us who sat on that particular committee that management was incapable of managing. I think this was well documented in the 22 or 23 sessions we had and in the reports that have now been printed and are public knowledge. When I heard the president of C.B.C., or some of his vice presidents, talk about up the line and down the line, it brought back pleasant memories of the days I worked with Canadian National Railways, and it seemed to me that somewhere between top management and the producers the up the line and down the line ceased to function; in fact, there seemed to be a strong case that could be made for derailment.

In this respect I share the opinion of the hon. member for York South in his criticism of management, and I very strongly share the opinion of the hon. member who has just finished speaking, that these young, articulate, brilliant producers took full advantage of the chaos that existed within the Canadian Broadcasting Corporation. I expressed the doubt early in the committee meetings, as a result of my questioning of Mr. Watson, that "This Hour has Seven Days" could properly be considered as falling under the department of public affairs.

• (7:10 p.m.)

As I said, the success of "This Hour Has Seven Days" is that it succeeded in arriving at a formula which was partly news, partly entertainment, partly sensationalism and a great deal of bias. The bias has worried me ever since I first became an ardent fan of this program. I have expressed on several occasions sympathy toward the abolitionists' cause in the recent debate on the death penalty, and I thought this program showed a definite bias toward abolition which was unfair to those viewers who were entitled to exposure to the other side of the question,—and indeed there was another side to it.

I felt a little concerned about the definite bias shown in the Viet Nam problem. Although I consider myself fortunate to have had the opportunity as a member of parliament to be exposed to both sides of this problem, I often wondered what happened to the hundreds of thousand of viewers who looked on "This Hour Has Seven Days" as gospel truth and who were unable, not necessarily because of lack of education but because of lack of opportunity, to be made aware of the fact that there were two sides to

most controversies that "This Hour Has Seven Days" exposed from Sunday to Sunday.

Despite its imperfections and its bias, I was a great fan of this program and feel it should remain on the C.B.C. I think, Mr. Chairman, that it was well explained, well documented and well established; that this program, vital, interesting and exciting as it was, was going through a period of trial and error and that modifications would have to be made if the program were to continue. I feel these modifications would have to be outlined, introduced, implemented and enforced by management and nobody else. The guidelines for this type of program should not be outlined by the producers but should fall within the general policy of the C.B.C.

The C.B.C. is an organization of which all Canadians should be proud. I think in the main it is a wonderful example of responsible televising and responsible radio broadcasting. Programs such as "This Hour Has Seven Days" have a definite place in Canadian television, but I share the opinion of the previous speaker, the hon. member for Winnipeg South, that management must manage. The C.B.C. management has demonstrated its inability, ever since this program has come on the air, to control these articulate, eloquent and, if you wish to call them so, creative young producers who have had control of "This Hour Has Seven Days".

There is a malaise in the C.B.C. So far two speakers have emphasized the background of this problem. I share the opinion expressed by the hon. member for York South that the C.B.C. management is inept and should be straightened out and that steps should be taken—and indeed this is the government's responsibility—to see that the C.B.C. is properly administered. This can be done without violating the written rule of the House of Commons that we should in no way interfere with the internal management or dictate the policies of the C.B.C.

However, I think, Mr. Chairman, that the producers have had their day in court and that they realized the good will they had generated not only in the committee but among the public. Had they realized they had exposed the general malaise in the C.B.C., which was broader than that which affected their own program, and had they been satisfied to leave it there, chances are that this program could have been produced in the fall and that the majority of men on that program would have taken part in it.

[Mr. Mackasey.]

I think, Mr. Chairman, that the report which was recently tabled was slightly biased, not in the remarks it included but in those it excluded. I do not intend to get into a debate on that subject except to say that on one occasion some remarks which I thought should have been included and which would have created a little more balance in the report were unfortunately removed, quite legally, at the next meeting which, unfortunately, I was unable to attend. Events since that time have proven my point and I do not intend to belabour it.

I might say, in concluding my remarks, that I feel very sorry about the departure of Reeves Haggan. This man was a stranger to me when he first appeared before the committee, and he is still a stranger to me. I had never met him before and I have never met him since, but he struck me as a man dedicated to his job. He sided with his producers, he had the courage of his convictions and he resented top management's interference in this program. He was hampered by a lack of direction from a very wishy-washy board of directors and general manager. I do not think either C.B.C. or Canada can afford to lose the services of Reeves Haggan.

His plans for a program known as "Quarterly Report" which was to appear this coming season are badly needed as we approach confederation. It was to be a joint program that would have, perhaps for the first time, managed to show all Canadians that the cultures of the two founding races complement each other. This program would have been different, one in which the English Canadians would have been proud to participate and which the French Canadians would have enjoyed, because it would have shown them the best of another culture with which many people are unfamiliar. Should this particular type of program be a victim of this trouble and malaise within the C.B.C.? I am sorry if this is so, and I would appeal to the minister and to the present management of the C.B.C. that even if "This Hour Has Seven Days" does die, as certain pessimists feel it will—though I am not of that opinion,—then every effort should be made to produce the program "Quarterly Report".

I consider that one of the weaknesses of the C.B.C., despite its size, its almost unlimited funds, its freedom and structure, is that it has not been a strong and dominant force of unity in this country. It has not been either a

force of unity or disunity: It has been neutral. Reeves Haggan and Mr. Thibault realized this fact and secured a mandate from management to do something about it.

That was one of the few bright periods in the 22 or 23 meetings we held with the C.B.C. management and producers. As the hon. member for Winnipeg South I should like to say I hope this chapter in Canadian broadcasting history will not be repeated. I sense the Canadian people are fed up with the subject. Indeed I and most hon. members in the house are tired of it. I am surprised this subject has come up because I do not think it is urgent and I do not even think it is any longer important.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should also like to refer to the interim supply we are being asked to vote today, but I want to deal with a few different matters which also come under the Secretary of State (Miss LaMarsh).

There is a problem—

[*English*]

Mr. Johnston: If the hon. member for Lapointe wishes to speak on another subject, I wonder, Mr. Chairman, whether I might be allowed to speak prior to his remarks?

[*Translation*]

The Deputy Chairman: Would the member for Lapointe (Mr. Grégoire) yield the floor to the member for Okanagan-Revelstoke (Mr. Johnston) who has wanted to deal with the subject under discussion since early this afternoon?

Mr. Grégoire: Mr. Chairman, I have no objection to allowing the member for Okanagan-Revelstoke to speak on the same subject, but I do not want this to become a precedent, because if I let everybody speak for three days on end about the C.B.C., when my turn comes, I shall have no opportunity at all to deal with matters which might interest me on interim supply. Since the member for Okanagan-Revelstoke is anxious to speak about the C.B.C., I do not mind yielding the floor to him for the time being, but I hope that afterwards you will allow me to proceed with my remarks.

• (7:20 p.m.)

[*English*]

Mr. Johnston: Mr. Chairman, I have listened with considerable interest to the comments which have been made about the C.B.C. I too would question the raising of this topic at all at this time. I was one member of the broadcasting committee who questioned even the wisdom of rushing as we did to issue a report, when it seemed to me that we had already served the function that was asked of us, so far as the "Seven Days" controversy was concerned, of being a sounding board and a place to air the opinions of both sides on the particular matter.

The haste with which the report was assembled had something to do with this lack of balance to which reference has already been made in debate. It is also incidentally one more objection to the holding of committee meetings while the house is in session, because the fluctuations in the attendance of members on that committee as it drew up its final report were great, and the report as finally presented to the house was not the sort of report it might have been had the entire committee sat throughout its preparation.

I was interested indeed to hear the remarks of the hon. member for Winnipeg South, and I congratulate him for providing in this afternoon's sitting a balance to the political spectrum that for far too long during the committee sittings was missing in the questioning of witnesses before the committee. Better late than never; and I think the hon. member in his remarks this afternoon has gone a long way toward correcting the balance.

In the opening remarks of the hon. member for York South I think we heard perhaps an unparallelled example of a plea for power to be handed out without control. This was the factor that was crucial to the entire discussion before the committee on the subject of "Seven Days", namely who was actually in charge, and what was the nature of the power that lies in modern communications, particularly in television?

I think a situation has been growing where the people who are actually working in the medium, the producers, have realized that they have been given power, and that the top management of the C.B.C., which has failed in the past to realize the power they have been handing out to the producers, has come only gradually to a realization of the immense amount of power it has distributed to the producers to shape Canadian public opinion.

In spite of all the professions of the hon. member for York South that he was striving for complete accuracy, a measure of the accuracy of his remarks can be found by

observing his use of the word "fired" over and over again in his remarks. I think without exception that every time he used that word, it was not quite the fact in the particular case about which he was speaking.

I do not intend to air at any great length the pros and cons of the program or of the dispute. I too enjoyed the program on most occasions when I saw it. I was however very concerned on several occasions about the direction that it was taking and about the dangers of what seemed to me to be a lack of control somewhere along the line, whether by middle management or top management. The program did not always seem to be under control.

I mention this because I was the first member to raise in this house the question of the hour-long documentary on the drug "L.S.D.", which eventually resulted in a statement by the Minister of National Health and Welfare, and some concern being expressed by the government over the dangers of this particular drug and its use among young Canadians. This to me was the best example of a program that lacked balance, in a situation where it is questionable whether even balance would be desirable in a program of that nature. Even after it was programmed on the English network the French network made further contributions along the same line which did nothing to solve the problem created by this drug in Canada. In fact, it probably aggravated the situation.

Always with public broadcasting we have the paradox that the taxpayers are asked to contribute to something of which they might not approve, which is a most delicate situation to be in. I do not accept the argument that creative talent can never be restrained, that somehow it must be allowed to run with absolute freedom. It seems to me that control is essential, particularly in public broadcasting. If the creative talent object to the very slight control that is placed upon them, then they have the opportunity to try elsewhere. But as long as they work with a public broadcasting corporation they are, in a sense, obligated to follow the lines that have been laid down for them.

The hon. member for York South referred to the long, long time during which the situation was allowed to develop. He found it a strange example and thought it might be the result of mismanagement. It seems to me that if anything the C.B.C. was too lenient, as evidenced by its lack of control over this particular program.

[Mr. Johnston.]

I have no brief at all for the measures that they ultimately took to bring the program into line. I think that they have acted foolishly, and on occasion weakly, in attempting to do something about the situation. But if the public is to be asked to finance broadcasting, at considerable public expense then we must have people in the corporation who can exercise some control, and we must expect them to exercise that control in the interest of the public.

I doubt whether any good would be done now by attempting to bring the program back. It is said that one never bathes in the same stream twice, and I think it would be an exercise in frustration to attempt another year to revive the program "This Hour Has Seven Days". We may be saddened by the fact that it has gone. However, if the government now acts with dispatch and insists that the C.B.C., not parliament, members of parliament or the broadcasting committee, has control over programming and if it exercises that control to produce programs of the sort that the Canadian public would expect, then I think that perhaps some good has come from the controversy.

The Chairman: The hon. member for Timiskaming.

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

The Chairman: I am advised that the hon. member for Lapointe was about to speak but deferred to the hon. member for Okanagan-Revelstoke. I will see the hon. member for Timiskaming later.

• (7:30 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Chairman, I intend to speak about a matter also under the jurisdiction of the Secretary of State and I shall conclude my remarks with a statement of our views on the current dispute within the C.B.C.

I should like, today, to bring up a question of primary concern for the civic authorities of the city of Quebec. It is the matter of a detailed model of the Old City of Quebec which was made, carved and designed between the years 1806 and 1811 by a gifted engineer Mr. Jean-Baptiste DuBerger, including all the fortifications of the Citadel of Quebec, the very fortifications designed for the military defence of Canada when the Americans tried to invade the country in

1812. As I was saying, this model was prepared by Mr. Jean-Baptiste DuBerger, including all the fortifications of the Citadel of Quebec, the very fortifications designed for the military defence of Canada when the Americans tried to invade the country in 1812. As I was saying, this model was prepared by Mr. Jean-Baptiste DuBerger on the orders of Col. By, who is well known in Ottawa and who, in fact, is the engineer who built the Rideau Canal.

It so happens that this model is now in the Museum in Ottawa; it is owned by the federal government and it is on view in the Museum in Ottawa. But the authorities of the city of Quebec would like the federal government to show this model of Old Quebec produced by Jean-Baptiste DuBerger in the city of Quebec itself; this would be helpful in many ways: from the historical viewpoint, from the tourist viewpoint and it would also be helpful to the engineers, the architects and the town planners of the city of Quebec for the urban renewal operations of Old Quebec. The engineers would be most interested in having it to renovate one of the oldest cities on the North American continent, the city of Quebec. On that question, the mayor of Quebec, Mr. Gilles Lamontagne, wrote to the Prime Minister on March 1, 1966 the following letter:

Mr. Prime Minister

Some years ago, the municipal council of the city of Quebec officially asked to have returned the celebrated DuBerger model.

You are undoubtedly aware of the value of this work and it would be logical for your government to agree to its return to the city of Quebec where it would be most useful not only from a tourist viewpoint but also for the renovation operations of Old Quebec. Furthermore, should your government agree, it would be more logical to return this model to the city of Quebec rather than to the government of the province of Quebec, as suggested to us by the Historical Monuments Commission in a letter, copy of which is attached.

I trust, Mr. Prime Minister, that this matter will receive your immediate attention.

Please accept my highest regards.

Gilles Lamontagne
Mayor of Quebec

On March 11, 1966, the Prime Minister replied as follows:

Mr. Mayor,

I duly received your letter of March 1 informing me that Quebec City is interested in obtaining the "DuBerger" model.

I asked my colleague, the minister responsible for the Historic Sites and Monuments Board of Canada, to take your request into consideration and to inform you directly of her decision.

Yours sincerely,

Lester B. Pearson

That was on March 11, 1966. Six weeks later, that is, on April 29, the Secretary of State (Miss LaMarsh) replied to the letter of March 1 as follows:

Mr. Mayor,

I regret not having replied earlier to your letter of March 1 to the Prime Minister, in which you ask for the return of the famous model of Quebec City, built from 1806 to 1811 by captain John By (later promoted to the rank of colonel), of the Royal Corps of Engineers, and by Mr. DuBerger, military surveyor and member of the garrison.

By the way, I wish to point out that in the Secretary of State's letter, there is a mistake which was corrected and which I shall correct myself later on, with the help of some notes provided by the Chamber of Commerce of Quebec City. The minister goes on to say in her letter:

In order to clear up the misunderstanding which seems to persist regarding this model, it might be a good idea to explain that it has never belonged to Quebec City or to Lower Canada. Up to 1910, it belonged to the British Department of Defence which first needed it to draw up defence plans for Quebec City against a possible attack by the United States. That is why it was sent to Great Britain when completed in 1811. In 1910, it was brought back to Canada as a gift of the British government to the Canadian government for all the Canadian people. You realize that it would be quite improper for the Canadian government to part with a gift received under such conditions.

I might add that without the help of this model, the Natural History Branch of the National Museum of Canada would be unable to do justice either to the history of your province and Quebec City or to the history of national defence in our country.

I am fully aware of your interest in this model and I realize that it would prove useful in effecting restoration work in Old Quebec. I shall be glad to send you pictures of the model, some of which are very good. It goes without saying that your architects can come to Ottawa to examine the model which is on view in the Daly building.

Yours truly—

This letter is signed: Judy LaMarsh, Secretary of State, minister responsible for the model.

It is safe to assume that the recipients were far from pleased with this letter and that several points could be taken up in the minister's reply. That is why, hardly seven or eight days later, or on May 6, 1966, the mayor of Quebec City, Mr. Gilles Lamontagne replied to the Secretary of State as follows:

My Dear Minister,

I am in receipt this very day of your letter dated last April 29, in answer to the letter I wrote to the right hon. Prime Minister requesting the return to Quebec of the famous DuBerger model.

I have noted your summary report of the history of the preparation and peregrinations of this work which, according to you, "would make it absolutely unconceivable" for the government of Canada to

relinquish a gift received from the British government "for the whole of the Canadian people".

With much respect, I take the liberty of differing in opinion as to what you consider an absolute impropriety; the population of Quebec City is still Canadian, as far as I know.

If I may digress, I wish to say that the minister must have been flabbergasted by that answer, when she received this letter. I read on:

I really wonder why "without the help of that model, the Natural History Branch of the National Museum of Canada could not do justice either to the history of our province and of the City of Quebec, nor to the history of this country's national defence", if that model were to be exhibited in the City of Quebec, the oldest and most historic city in Canada.

That an outright grant of the model to the City of Quebec seems improper to you, is conceivable to me. But, I really do not see any serious reason which would prevent the government of which you are a member from exhibiting the model on premises located in Quebec City, under the control of the Natural History Branch of the National Museum of Canada.

Are the Battlefields Park, the Citadel, the harbour facilities and the post office, to cite only a few examples, not federal property, belonging to the whole of the Canadian people, although they are located in the City of Quebec? I sincerely believe that as much can be said about the historical works found there.

The *Grande Hermine*, which the federal government recently decided to rebuild for anchorage in the limits of Quebec City after Expo '67 will remain the property of the Canadian people. I sincerely believe that the Canadian government has given proof of its wisdom in deciding to exhibit it in Quebec City; in that sense, the government of which you are a member has understood that that historical reconstruction "belonged" to Quebec.

In the same sense, I believe that the DuBerger model "belongs" to Quebec City. If only for the sake of exhibition to our own public, in the city of which it represents a section very dear to us, it would be, in my humble opinion, a sufficient reason for the return of that model from Ottawa to Quebec City.

But we have more serious reasons. Indeed, when, in co-operation with the provincial Department of Cultural Affairs and the members of certain intermediary bodies, we are starting the development of a program for the restoration of Old Quebec, it is obvious that this model would be extremely useful to those who have undertaken to carry out rapidly this restoration which is necessary not only for us, Quebeckers, but for all the Canadian people. We consider that Old Quebec occupies the first place in our national heritage.

For that purpose, only the model's photographs which you offer to us would naturally not suffice. Moreover, the possibility for our architects to come to Ottawa for consultation according to your suggestion, cannot be considered as convenient. The great distance between Quebec and Ottawa would make the consultation costly and certainly less frequent, hence less effective.

Finally, for the centennial of the confederation, it is important that the model be exhibited in Quebec City, true centre of that national constitution.

After that account, I hope that you will reconsider your decision and that you will recommend the "return" of the DuBerger model. I am sure such a transfer can be brought about without disrespect toward historical proprieties; it would even improve on present conditions.

Yours truly,

Gilles Lamontagne
Mayor of Quebec.

Mr. Chairman, I would like to add a few remarks made by the Chamber of Commerce in that connection. After reading all the exchange of correspondence, the Chamber of Commerce thought it proper to make a few remarks in its official organ *Réalisons*.

In answer to an argument advanced by the Secretary of State, we can read this:

Even though the Quebec model was carried out under the orders of Major By, he is not the designer and even less the sculptor. As a matter of fact, Major By has taken no part at all in the creation and the making of the model even though, until 1831, the work was attributed to him by error. The controversy over the origin of the Quebec model has lasted long enough during the last century that it is useless to raise it once again in 1966, when in 1831, a copper plate was affixed to it, attributing it to DuBerger only. The idea was to pay a post mortem tribute to the inspired engineer who died in 1821.

• (7:40 p.m.)

The Chamber of Commerce adds:

We do not ask the Canadian government to give up this precious relic, but rather to give it a place of honour in historic Quebec to which it belongs.

Further, it says:

It must not be forgotten either that during two centuries the destiny of the country was directed from the Château St-Louis. The orders of the Duke of Kent, father of Queen Victoria, and those of a good twenty French or English governors general of Canada were given from the Château St-Louis.

Under the circumstances, the right place for the DuBerger model would, again, be the historic ruins of the Château St-Louis, at least partially restored. Concerning such an initiative, we appeal to the patriotism—

And I add, for the information of the hon. lady, if she will listen to me—

Miss LaMarsh: I am a Canadian patriot.

Mr. Grégoire: To continue:

Concerning such an initiative, we appeal to the patriotism, understanding and generosity of the Canadian government.

Finally, placed in historic Quebec under the custody and protection of the federal authorities, that model would constitute not only a lesson in legitimate pride and preservation of historic Quebec for the people of Quebec, but also a splendid

history lesson for the thousands of Canadian taxpayers and American tourists who visit us every year.

Respectfully submitted on May 17, 1966.

The Chamber of Commerce of the district of Quebec.

Mr. Chairman, in view of the facts, I would like to ask the Secretary of State the following questions: First, since there seems to be a difference of opinion with regard to the history of the model, would the Secretary of State be willing to have a real study made about the history and the peregrinations of the DuBerger model?

Second, would she be ready to reconsider with the members of her department and the director of the National Museum of Canada, the advisability and possibility of repatriating the DuBerger model to Quebec City?

I think that the minister could have that study of the history made and could also ask her senior officials to reconsider that matter.

There is a whole sector of the population who would like to see the DuBerger model transferred to Quebec City for tourist and historical reasons. The municipal council of the city of Quebec would also like to have that model on view in Quebec City, in order to make it easier for the Quebec engineers to restore Old Quebec.

I hope that the Secretary of State will take this request into serious consideration and will see to it that it is complied with. Since I am able to do so, I act as the spokesman in the house for the mayor of Quebec City and the Chamber of Commerce to ask the minister to reconsider the matter. Knowing her great understanding and patriotism, I hope that she will return that model to Quebec City.

Mr. Chairman, in view of the fact that, when considering interim supply, we are allowed to talk about all kinds of things, I would also like to take this opportunity to discuss a particular subject, while the Minister of Finance (Mr. Sharp) is in his seat. Not so long ago, that is on June 24, 1966, we received from the office of the Minister of Finance, a news release about the Small Businesses Loans Act. It gave statistics about the loans made under the act to small businesses between January and March 31, 1966 and I would now like to quote a few figures.

The small businesses in British Columbia secured in the three-month period covered by the news release from the Minister of Finance loans amounting to $846,292 out of a total of $5,091,885.

In Ontario, loans amounting to $2,066,159 were made to small businesses, while in Quebec they amounted to only $760,977, approximately 12 or 13 per cent of $5,091,885. On the other hand, in a small province like Alberta, $497,039 were loaned.

I would ask the Minister of Finance to find out from his department why there should be such disproportion. Why is it that, under the Small Loans Act, three times as much can be loaned to Ontario as to Quebec? Not that I am against Ontario being given $2,066,159 in loans; but I should like to know why so few have been granted in Quebec. Still, we know many requests are made for loans by small businesses in the province of Quebec.

Mr. Chairman, I should like to know why that federal enactment does not allow for granting as much in loans in the province of Quebec as in Ontario or in British Columbia? Indeed, the latter received $846,292 in loans, while Quebec got only $760,977 in loans. In other words, a small province like British Columbia received 80,000 worth of loans more that a large province like Quebec. I should like to ask the Minister of Finance to look into the matter and tell us why the disproportion is so great.

I notice, for instance, that in 1965 the difference was not as marked: British Columbia received $879,616 and Quebec, $1,467,205, out of a total amount of $5,550,933. That is approximately 25 per cent. It has been diminishing lately. I would ask the Minister of Finance whether we could have an investigation?

The Minister of National Revenue (Mr. Benson) is not in the house now but I wonder if the minister would convey to him certain remarks I wish to make about his department.

I have here a letter sent by the Department of National Revenue to parishes, to parish priests, to churchwardens, to vestry boards and concerning:

Re: 1966 T4 Information Return.

That letter was sent in English. I have here a letter sent to the cathedral of Hauterive, on the north shore, county of Saguenay.

Mr. Béchard: It is a mistake.

Mr. Grégoire: The cathedral of Hauterive received that letter in English. If this is a

mistake, I will read a few others to the parliamentary secretary to the Secretary of State. He will notice that there are many mistakes.

Mr. Béchard: A few.

Mr. Grégoire: I hear the hon. member for Bonaventure (Mr. Béchard), I think—

Mr. Béchard: Yes.

Mr. Grégoire: —who says that there are a few mistakes. I could mention several and I will quote others.

The parish of Hauterive answered to the Minister of National Revenue under the signature of Roger Cantin, president of the churchwardens of the cathedral of Hauterive:

Sir, we acknowledge receipt of your explanatory letter on the income tax returns recently received, the original copy of which you will find enclosed.

Needless to say, we are ready to submit to all the requirements of the income tax so that everything may be conformable to the law. However, the letter you have just sent to us is unacceptable because it is written in English only and we demand, as is our right, that such a letter be written in French.

The vestry-board of the parish of the cathedral of Hauterive, having noted the letter, have refused to have it translated and implement, as long as it is not forthcoming in French. We are therefore requesting that you return the explanations to which we are entitled like everybody else, but in our own language.

• (7:50 p.m.)

You accept tax-money from French Canadians, you should at least have the decency to write to them in their own language.

We are then awaiting the information asked for in this letter and we expect it to be supplied in French. Perhaps you had none left, but it would have been easy to delay your reply for a week and have some printed. Copy of this letter is being sent to the Prime Minister, to the Minister of National Revenue, to the member for our constituency and to some members of the opposition.

In the hope that you will grant our request, we remain.

Truly yours
The Vestry Board of Hauterive
per Roger Cantin, president of
the Church wardens

I have another one, not necessarily in the same field, but again from the Income Tax Division.

This person receives the following reply from the Department of National Revenue:

Thank you for your letter regarding your income tax account.

As soon as we have reviewed your account, you will receive a reply.

The person writes and asks for explanations.

[Mr. Grégoire.]

I would therefore ask the Minister of National Revenue to see that those forms are translated—I know that there are some in French—and distributed. It is not sufficient to have them printed in French. It would be an excellent thing if the officials, who absolutely wish to act as dictators by reducing receipts for charitable donations, should at least write in French in the province of Quebec.

Mr. Chairman, I am going to deal with another department. I have before me a letter which might amuse a few members of the house; it concerns the Royal Canadian Mounted Police. Please note that I have nothing against the Royal Canadian Mounted Police; far from it, I think it does a good job and I gladly praise it when the occasion warrants. I congratulate the authorities for a recent improvement. For some time, I have noticed that the officers on the hill are bilingual and can easily converse with the french-speaking and english-speaking tourists. However, it might sometimes be useful to remind Commissioner MacLellan of certain facts, to keep him on his toes and encourage further improvements, things are looking up, but there is still a lot to be done. It may be the slowest department to get moving, perhaps because the R.C.M.P. is the slowest on the uptake.

I have received a letter from a school teacher, I shall quote a few excerpts. This fellow was driving to school to teach on Tuesday, June 21, 1966 and there is every indication that he was going a bit fast in the Gatineau parkway; he does not say he did, but a R.C.M.P. constable proved he was going a bit too fast. However, according to this letter, the R.C.M.P. officer did not stop the teacher immediately, but only 10 minutes later. He waited for the teacher to reach the school yard, and in full view of about 500 students, as the school bell rang, the R.C.M.P. officer made his entrance with his siren on; to make matters worse, that same fellow, a native of Hull, tracking down speed violators, did not know a single word of French. And this, in the province of Quebec, in Hull, at the Saint-Jean-Baptiste high school in Hull. I quote:

At 8.55 a.m., a young constable, W. D. Maxwell got out of his car shouting "What do you think you're doing?", or words to that effect, which sounded to me most arrogant. Hundreds of students were drifting toward my car. I politely asked him to repeat and apologized for not understanding English. Feeling a bit foolish, I imagine, and in spite of the students' jeers, he had the nerve to ask two of them to act as interpreters.

And I can very well see Hull high school students acting as interpreters for the Royal Canadian Mounted police.

And the teacher goes on:

I tell you all this as a protest against the unilingualism of the R.C.M.P. constables in Quebec territory, against the arrogance of the colonial greenhorn who stopped me, against the disturbance this officer created in a school, where even in ordinary circumstances, it is not easy to impart good education; he held me up to my own students, as a model of misconduct, and I feel that in so doing he undermined the very foundations of the educational system. If I committed an offence, it was outside the school property.

And that is not all; the same teacher goes on:

And that is not the end of the story. This afternoon I have telephoned the R.C.M.P. headquarters, to demand apologies for their way of enforcing law and order. Witnesses will confirm that I was referred to six officers one after the other, some of them apologized politely, others bawled me out, before I could get a single French word in edgewise. The little French speaking constable to whom I spoke promised he would take my complaints to his superiors (naturally he was in a subordinate position being French Canadian). A little later on, he called me back to let me know that only in court could I demand a review of the situation and a different approach to value.

And he adds:

—the stature of the R.C.M.P. is not enhanced by this business. And Ottawa will wonder why young Quebeckers are separatists . . . and anarchists—

Mr. Chairman, this took place in a Hull school, before 500 students, where the R.C.M.P. agent had to ask students to act as interpreters.

I believe a complaint should be made against such actions. Since the complaints made here against unilingualism of R.C.M.P. officers on the Parliament Hill were profitable, I think the same complaints should be made against this R.C.M.P. agent who was on duty in Hull and who, moreover, thought it proper to go and prove in a school of 500 to 600 students that, being on duty in the province of Quebec, he did not know a word of French.

Then, Mr. Chairman, I hope the Solicitor General (Mr. Pennell), responsible for the R.C.M.P., will take this remark into consideration in order to urge further the R.C.M.P. commissioner to see to it that this police body which can do a good job in certain fields, can also improve in other fields to give satisfaction.

Mr. Chairman, these then were a few desultory remarks I wished to make. I trust they will be taken into consideration and that a solution will be found fairly soon to the problems I have pointed out.

Mr. Béchard: Would the hon. member allow me a question?

Mr. Grégoire: But of course.

Mr. Béchard: I did not want to interrupt the honourable member, neither while he read his numerous letters nor during his speech; that is why I waited to put this question.

A while ago he spoke of the repatriation of the DuBerger model. Does he mean that that model once was in Quebec City?

Mr. Grégoire: Yes, Mr. Chairman, according to the statement of the Chamber of Commerce I read here, it was there once; it was built there by one Jean Baptiste DuBerger between 1806 and 1811. It stayed there, at the seat of Government of Lower Canada at the time. It was only after the end of the war against the Americans that British troops took it to England. Those troops had not fought the war; as you will remember, that war was won at Châteauguay, near Valleyfield, by the troops of Colonel Salaberry, a good French Canadian of those days. The model came back to Canada in 1910, and today the citizens of Quebec would like it to come back to Quebec City for tourist and historical reasons, but most of all to facilitate the renovation of Old Quebec which the city of Quebec and the Quebec Department of Cultural Affairs have recently undertaken.

I trust the Minister of Manpower and Immigration (Mr. Marchand), whom I see in the house, will support my request and that of the authorities of the Quebec District Chamber of Commerce, the mayor and municipal council of Quebec so that that old model, now located in Ottawa, can be sent back home within the old walls of the city of Quebec.

• (8:00 p.m.)

[*English*]

Mr. Peters: Mr. Chairman, this probably is one of the problems in this type of debate where we keep moving from one subject to another, but I should like to go back to the C.B.C. difficulties. I suppose I could activate Jimmy in that regard; he will understand. I think the problems of the C.B.C. have always been really in the never-never land where the government is not supposed to interfere, and yet parliament is supposed to make the decision as to what the C.B.C. stands for. I do not say this in any policital party sense, but it is interesting to note that in the years that the C.B.C. has been in operation there have been many conservatives in this house. They

appear to be on all sides of the house, on the left, on the right, and in front of me. I am sure that anyone who has been here very long will realize that the right and left wings of parliament do not necessarily stand with the political parties. I think it is true that there are many who say the C.B.C. is safe, for the simple reason that over the years it has been able to establish a status quo; it does not offend anybody and certainly does not step on any toes.

There are also those who would like to see the C.B.C. become a vibrant force, the developer of Canadian nationalism. For this reason I think in this debate there has been a lack of idealism. I think the major problem which faces the Canadian public today is their lack of ability to make any correction, change, or expression of desire in respect of the Canadian broadcasting system. It always has been interesting to me to note that my political party, the New Democratic Party and previously the C.C.F., always considered the C.B.C. to be a holy cow about which you did not say anything bad, and you attacked anyone who was going to say anything about it. When debates were taking place and everybody was congratulating the C.B.C. for the advancements it made in the field of drama, which I did not understand at all, I was interested, in the success achieved by Don Messer's Islanders, as a summer replacement. I am sure its success shocked the C.B.C. officials as much as did the "Seven Days" dispute. They tried to remove the Islanders and found that it was rated about the second highest of all the programs. Finally they had to yield to the demand of a large segment of the public and keep Don Messer on.

I am one of those who believe the C.B.C. has a number of functions. If you can squeeze in drama and probably anything else that is good for people, along with entertainment, this is all to the good; but entertainment should not be disregarded entirely. I am sure the C.B.C. was shocked to find that the program 'Seven Days" was receiving such a wide audience appeal. I never have stood up to talk about "Festival" because I think those who run "Festival" are a bunch of nuts, and that a lot of the programs are like that. This is just a personal opinion. I know nothing about drama. I have not criticized it because I thought it must have some good in it and that perhaps people liked it.

I did like "Seven Days". In the last election when I travelled through my constituency I was surprised to find when I entered a house

[Mr. Peters.]

when the "Seven Days" program was on—and this followed Bonanza—that you could not talk to the people at that time. I have had an opportunity to watch "Seven Days" and considered it to be a very good program. I feel that if they put on eight or ten items and I am only mad at one of them, they have done pretty well for me. If everyone found the same thing, I think it did very well for them.

It is all well to talk about Minifie. I never saw such a deadpan announcer. He is like an announcer on a local radio station who, when announcing the death of someone, made it sound like a hilarious occasion and when talking about the strike—made it sound like a wonderful thing. I think on "Seven Days" there has been a very good balance. This is something which I think most of those who have resented "Seven Days" appear to forget. The three million persons who watched the program considered it to be a pretty good program. Maybe one person phoned Bud Walker and said it was bad, and he made a public apology. He apologized for a situation at St. Vincent de Paul that did not require an apology. I know this from first hand experience because I was there. I know that it was not as complete as it might have been, but what was taped was a two hour program and it had to be cut down to eight minutes. I agree that the warden did not get as much time as he might have, but he got some time. I participated in this program, did not get any time, and I did not complain to Mr. Walker. I believe his apology was unwarranted.

When I hear these weak sisters stand up in parliament and talk about the grand and glorious picture of parliament which must be given, I say that if you must have this, then get out of politics. We want an interview to be dynamic. I can even get sick when I see Charles Lynch interview the Prime Minister, and carry him for 60 minutes. The Prime Minister of this country has a great deal to give to the public and he does not have to be carried by someone with an opposite view. Everybody knows where Charles Lynch stands politically. I was ashamed of that program. I was ashamed of the fact that there was a need to build a little wall around somebody. If they need that, then they should not be interviewed.

• (8:10 p.m.)

It seems to me that the interviews carried out on the "Seven Days" program were well done, and I think particularly of the interview of Mr. Bundy, conducted by two young

men. I went to the C.B.C. offices shortly afterwards and asked Bud Walker how he would like to have conducted that interview. He told me that he would not have wanted particularly to conduct it. A great many complaints were made because Bundy took over the interview from beginning to end, and would hardly allow the interviewers to ask any questions. I give the two young men full credit for the efforts in the interview, because Bundy is such a capable man he could take over the whole show. If it were not for the fact that these young fellows got a little belligerent they probably would not have got a word in edgewise. This interview was more like a paid political broadcast, and Mr. Bundy acted like the man paying for it, not wanting the interviewers to interrupt.

Surely we must all agree that the management situation is bad. We know that the Prime Minister was blackmailed into appointing Mr. Ouimet as president for another seven years, at a time when he intended to appoint him for only one year. I am sure everyone is aware of the fact that Mr. Briggs was appointed by a previous administration to keep Mr. Walker in line, and to set up what one might consider as a ship-shape organization. This sure is a leaky ship, foundering on the rocks. It has been leaking water for a long time. If I were a dictatorial minister I would reappoint Mr. Ouimet to carry on in his capacity. He has not done a damned thing for the C.B.C. for some time, in fact since Mr. Briggs came on the scene. I would get rid of Briggs and Walker because they have not only done little, but everything they have done has been done wrong and at the wrong time. They could not have picked a worse time to fire LaPierre and Watson. Those two gentlemen became identified with the sympathy of three and a half million viewers.

The French Canadians suggest that LaPierre does not portray the French Canadian, but for my part I think he portrays a very nice type of French Canada, and I like that kind. LaPierre is emotional, gets involved, flies off the handle and cries when it is necessary. Even though the French Canadian people tell you they are not emotional, LaPierre portrays the emotional French Canadian. I do not like separatists, or young people who go around dragging things through the mud and making everything as difficult as possible. I think most English speaking Canadians like and enjoy the type of French Canadian that LaPierre portrayed. They believe that the balance created between the emotional LaPierre on one side and the cool and calculating critical Watson on the other was sort of a cultural balance. Whether one agrees or disagrees with my feelings, approximately three and a half million viewers felt that these co-hosts created a cultural Canadian balance. You might think that this was an Alice in Wonderland type of program but I think it was good.

I attended the meetings of the broadcasting committee, not because I had to but because I was interested, and I know many of my colleagues were interested in this situation. Many people in this country are going to ask us, as members of parliament, to indicate which side of this controversy we support. I for one cannot understand how the management side can be justified. If people charged with managing cannot manage, then they are not management. This fact brings to mind a situation which occurred in respect of the Hollinger mine. An individual had 5,000 people working for him. The supervisor told him that he could not find a job for one individual and therefore he would have to be fired. The manager, in reply, suggested that if the supervisor and himself could not find a job for everyone they were not managing the company properly. The management of the Hollinger mine was certainly not benevolent in their approach to employees but they adopted the attitude that there must be a place for everybody, and if a place could not be found management was not doing its job.

Some may think that management has a right to be dictatorial but I do not believe that is true. After all, this is not the eighteenth century. We do have a masters and servants act; but I remember listening to a well known Ontario lawyer argue a case, and I am sure he lost it when it became apparent that he was basing his argument on the provisions of this act. Management has a role and that role is to manage. Employees also have a role, and that role is to give as much service and ability as possible. It is not their position to try to usurp management's role. They must, of course, give the best that they can within the established framework. Surely this is an obligation.

I listened to Reeves Haggan last night on Doug Fisher's show over C.T.V. I think Doug Fisher has an uncanny ability to bring out what is in people. If it is bad, he brings it out; if it is good, he brings it out. He

does not compete or put himself in a competitive position with the person being interviewed. I think he made it obvious that Reeves Haggan is a capable and sincere person and that he left his position because he felt the dismissal of certain producers was not done on a normal and proper management relationship. He was informed that Leiterman was to be dismissed with only two days notice.

This afternoon we were informed how the dismissal of these producers came about. I wonder whether people watching the program last night, after listening to Mr. Haggan, would feel that he was one of a group of young ambitious men. In my opinion he represents the progressive element of the C.B.C., and a young man who is interested in doing his job. At no time did he suggest that he was interested in taking over the C.B.C. At no time was he vindictive.

The situation has to be changed and I suggest the first step to be taken is to dismiss Walker. His dismissal must be arranged. He is the man who is responsible, not only for starting this conflagration but also for pouring fuel on it when it got going. Fuel was provided for this fire also by members of the broadcasting committee, as well as by Mr. Keate and Mr. Fowler.

Who allowed Mr. Walker to go to Toronto in October and take over the operations there? Is the minister aware of the fact that Mr. Walker said he was not going to do this when he was in Ottawa, but that he received a phone call from Mr. Ouimet telling him that he was about to release a statement and that it was to be attributed to Mr. Walker? I have heard a lot of talk about political pressures in the C.B.C. organization, but I do not think there are any as we know them. I believe the situation is much like an insurance company headed by a "Mother Ouimet", who decided that politics had to be involved.

• (8:20 p.m.)

Let us take a more cogent example. Let us look at any major union in Canada—and I have had something to do with several of them. There are politics in these unions. They do not call the politicians Liberals, Conservatives, N.D.P. or anything else; but these are politics whereby people are trying to better themselves and set up their own political regime, in the sense of the organization to which they belong. I am rather inclined to believe that the C.B.C. in its lines of demarcation have spent more time on the politics of those lines than on politics as we know them, whereby politicians in the House of Commons have any influence on them.

I doubt whether there are very many people in parliament today who would say we should get rid of the C.B.C. I am of the opinion, however, that there are many who would say, "Don't let the C.B.C. get any stronger than it is. Don't let it have any greater influence than it has. In fact, any problem the C.B.C. has is all to the good, because it may go away by itself.". I think a number of members of parliament would agree that private television might do a better job if the C.B.C. was out of the way. Mr. Haggan was asked yesterday whether he could produce a good public affairs program without money, and he said, "Absolutely not". He was asked whether this was the reason "Seven Days" had been so successful and indicated that it had a reasonably modest budget for that type of production.

The minister just made a comment which I did not hear. I do not know whether she agrees with what I said or not. But the budget varies anywhere from about $12,000 a week to $50,000 a week; so that in discussing it we were never sure how much the budget was. Perhaps when I was not there the committee was able to ascertain exactly the total cost of this program including technical assistance, studio and all the other things necessary. His point was that C.T.V. was providing enough money in some of the productions they were undertaking to be able to produce, reasonably, a better type of television program than they were producing. The reason they were not producing a better type of program was that the people in the C.B.C., built up through the C.B.C. and by the C.B.C., were more capable than any others in Canada. I think this is true and would agree that the producers of "Seven Days" were probably of the top calibre.

I was surprised at the remark a Conservative made in the committee. In view of where he sits I would have thought his position would have been different. Mr. Haggan was referring to Leiterman and called him a near-genius. I do not know whether I would go that far. I do not know what a near-genius is; nor do I know what a distant one would be. I do not even know what mediocre producers are like; this is not my field. But it is my opinion that with a viewing audience of three and a half million the program "Seven Days" was the kind of thing that should have been extended into

other fields. I honestly believe that over the years the C.B.C. has developed a very impartial news media that probably cannot be duplicated anywhere. I think its public affairs programs were never of that calibre, and with "Seven Days" we had a program that had a large audience and was presenting things that were controversial and interesting. One hon. member mentioned L.S.D. I watched that program. Some members should pay some attention to these programs and not talk about things they have not seen. I came to the conclusion that I just didn't have guts enough to try L.S.D.

I am quite sure this was brought home to many young people of this country as well. The program did not only show the fantasies produced through taking L.S.D., and the medical aspects of it, but it showed the dangers of taking this drug.

An hon. Member: It didn't show enough.

Mr. Peters: It showed enough that I would not go out and undertake one of those experiments with a sugar cube that somebody gave me on the street. That is the good feature of programs such as this; many people see them and realize the dangers involved in this kind of thing. This is what makes television such an important media. It provided me and a great many other people with information on a subject I did not know anything about, and it provided that information in such a way that I felt I would not have the nerve to take that trip into insanity—

An hon. Member: You wouldn't get back.

Mr. Peters:—or whatever they call it, because I just did not have the nerve. Some members may not have thought of it in that way. Some may have decided they were going to take it. More power to them. I do not want to duplicate anybody's action in this regard. I believe the public is smarter than those members of parliament who are ultra-conservative and want to go back in time, rather than forward. I believe the public is smarter than they give them credit for. The public have a right to make a decision on some things, and I believe they are better equipped so do so because of television and other news media. In addition, Mr. Chairman, we have in this country more people with university education than ever before. This applies also to people with high school or public school education. They read, write and can observe and, in my opinion, are well equipped to make a decision. Even at election time they make their decision, whether rightly or wrongly. They are now in a position to make that decision. I believe their decision is getting "righter" as time goes by.

In my opinion people are now making better decisions, and I believe that television is a medium that assists them to do this. It is a medium where the individual viewer is in close and immediate contact with the screen and the people on it. I think it provides a much clearer picture of the situation than we would otherwise have.

We know what the press has said about this program. I am surprised at the strength of their opposition to "Seven Days". I would not know whether it was because Leiterman had been previously in the journalistic field; I would not know whether it is caused by petty jealousy; I do not know whether it is the up-staging these people have received. I am not really sure of the reason but have been surprised by it, because I have found that newspaper people as a rule are not resentful of others making an impression on the public, but have enjoyed the added prestige the journalistic type of communication was creating, whether it be in the magazine, television or newspaper field.

I have been surprised at the resentment the press has shown to the desire of young people to make an impression in the C.B.C. organization and obtain some rapport with management and others, to obtain a dialogue to be carried on between top management and the production level so that top management would be aware of what they were trying to do, wanted to do and were capable of doing. Then management would make the decision whether Canada was ready for this type of thing.

Therefore, Mr. Chairman, I believe that parliament has now to make a decision. Do we go back to the mediocre coverage we were receiving in public affairs programming, or do we continue to expand in this field and go into programs like "Quarterly". The French Canadians will scream blue murder, I am sure, at some of the things that have been said on "Quarterly" because there are English and French speaking people who do not really have an understanding of the program, and the intention of trying to bring the two races together to develop something that will eventually become Canadian talent and Canadian national culture.

I believe this is a role of the C.B.C. and it is the type of role that should be developed. I believe it cannot be developed by the Walkers, by the Ouimets, or by the Briggs. It can possibly be developed by people like Haggan, Thibault, and some of the others who are dedicated entirely to their work, and the people with whom they work.

• (8:30 p.m.)

I think they are willing to experiment, they are willing to allow for an exchange of ideas in a completely new field. This will not be possible if there is a lack of understanding between the producers of both networks at that particular level. I am assured by some that this can also extend into other parts of th C.B.C., not only in the field of public affairs programming but in other fields. It will be difficult for the minister to sit idly by and not do something about the many reports that have been brought to her attention over the past year or so. If this happens, then the three and a half million Canadians who have watched and enjoyed this program will ask themselves: Why have the members of parliament not done something about this matter? It is not our duty to interfere in the business of the C.B.C. by firing the individuals concerned or by reappointing Leiterman and re-establishing "Seven Days", but to establish a rapport which will allow for a dialogue and a free exchange of ideas between management and producers.

I believe there should be something for the right and something for the left, and I hope there will be a program in the fall for three and a half million people to enjoy.

Mr. Loney: I rise to participate in this debate on interim supply because of the very serious situation which exists in the southern portion of the riding of Bruce, which I represent. This situation exists not only in part of Bruce county but also in the lower part of Gray and the surrounding counties. I am further prompted to speak this evening on the subject, Mr. Chairman, because of the lack of satisfactory answers to questions I have raised in the house in the last few days regarding a letter to the Prime Minister which alludes to a certain campaign promise made on November 4 concerning area development. This promise was made to the people of the Kincardine area.

The subject on which I wish to speak, Mr. Chairman, is the problem which is created when one area has been designated as a

depressed or slow growth area, and the area adjacent to it is not so designated. The communities in the south of Grey and Bruce counties are very much at a disadvantage when they must compete with the other part of the county to attract industrial development and expansion.

We are well aware, Mr. Chairman, that under the existing legislation these sectors do not qualify for designation even though they are recognized as such by every survey which has been made to date. When the Minister of Industry introduced the new program on August 5, 1965 he said the areas which qualify are characterized by high and chronic unemployment, low family incomes, and contain some 16 per cent of the national labour force as compared with approximately 7.5 per cent of the labour force covered under the former plan.

There is low unemployment in the area concerned because there is no industrial expansion. There has been an industrial decline and an industrial stagnation. The employees have moved away to become unemployment statistics in the metropolitan centres. The government boasts of policies to relieve unemployment but they have done so at the expense of rural areas. The workers have migrated to metropolitan centres but they want to return to their homes in the Georgian bay and lake Huron areas.

These problems have been of great concern to myself and to my colleague, the hon. member for Grey-Bruce. We have communicated with the Minister of Industry, but with no success. There have been numerous delegations and representations made to the department but to no avail. We have made every possible approach to the department concerned. We have joined with representatives of the communities concerned, with county councils, industrial commissions, chambers of commerce and individual businessmen. We have used a non-political approach. We have had delegates from the Liberal organizations, and on one occasion a delegation which had among its members the defeated Liberal candidates from that region. That was a large delegation.

The hon. member for Grey-Bruce and myself are concerned about the future of our area. I may assure the house that we are not alone in this concern. The provincial member for Bruce, a member of the Liberal party, is also very much concerned. He is especially concerned abou a commitment made to the

people of Kincardine on November 4 prior to the last election.

I am now referring to a letter written by that member to the Prime Minister on May 19, 1966. The letter was published in an article headed "Ross Whicher Requests Action on Recent Federal Election Promise by Liberal Party". It was written at the Parliament Buildings, Queen's Park, Toronto, Ont., and reads as follows:

The Right Hon. Lester B. Pearson
Prime Minister of Canada
House of Commons
Ottawa, Canada

My Dear Prime Minister:

During the past several weeks I have written to you twice in regard to the statement issued immediately previous to the last federal election by the Liberal candidate for Bruce in so far as the town of Kincardine and its immediate area were to be affected by the term "designated area" is concerned. I have also talked to your secretary by telephone and had correspondence with the Hon. Mr. Drury, the Minister in charge of this particular problem.

I will not go into the question again as to whether Kincardine should or should not be included as a designated area. There are arguments on both sides. However, to me as the Liberal member for the area for the past eleven years in the provincial legislature, there is a far more serious question. It is a matter to me of principle and of honour. May I quote the News Release that was given verbally to the people of Kincardine by Kent Lamont, the Liberal candidate, just a few days before the last election, and also given to the press, radio and television.

Statement received by Gordon Beaton from Mr. Keith Davey this afternoon, November 4th, by phone to be conveyed to Mr. Kent Lamont, Liberal candidate in the riding of Bruce re designated areas. If Mr. Lamont wishes to make a statement publicly the following is the suggested announcement he should make: "I have been in touch with the Minister of Industry who has advised me that the area development agency of his department have embarked upon a study to determine what should be the boundaries of the Georgian Bay economic region. They are being assisted in this study by the Ontario government." If Mr. Lamont wishes he could add the following: "I have been authorized that I may announce that Kincardine area will after this study be included in the area already designated. I have been assured by the Minister that circumstances in the Kincardine area are exactly that which these studies are directed and that I can assure the people of the Kincardine area that it will be included in the designated area."

Can anything be more explicit? Here we have the word of Keith Davey, now a Senator who, at that time was national organizer for the Liberal party and through his position speaking officially for the Liberal party.

● (8:40 p.m.)

This promise has not been kept. Honour has been a word that has been synonymous with your whole life. May I respectfully say that it is a word that has described your political life more than any other. I hope that in a small way it helps to describe me. Most humbly I tell you that I did not win this riding against such Conservative leadership as Leslie Frost and John Robarts by stretching the truth even in an election campaign. And by our lack of action we Liberals have certainly misinformed the people of Kincardine. Out of respect for my Prime Minister I am being temperate in my wording. If you were an ordinary Liberal I would use that language which I normally employ to describe such things.

He concludes by saying:

Under the circumstances, as outlined above, it will be impossible for me to associate myself with any proclamations or declarations that your government may issue for this area. Regrettably, I would always have the feeling that it might not be carried out.

Yours very truly,
Ross M. Whicher, M.P.P.
(Bruce)

I ask the government to honour their pledge. Again I ask the government to alleviate the serious situation which exists today. The designated areas program provides for an annual review. Has this problem been reconsidered? I do not want action of the kind described by the minister when pressed to remove the discrimination and competition created by this bill, namely to remove designation from the adjacent area. Unemployment is the basic criterion for designation, yet the word "unemployment" appears only once in the statement of the minister extending over some five pages, which he made on August 5, 1965.

With reference to that statement, Mr. Chairman, I say that that word was used only once. He went on to use very descriptive phrases, such as economic difficulties, variety of industries, growing markets, industrial development, economic growth, employment opportunities and incentive program. When the Prime Minister introduced this legislation first on June 7, 1965, he indicated that the program of incentives for area development was a further measure in the government's campaign against poverty and inadequate opportunities, and as reported at page 2022 of *Hansard* he said:

This program is designed to encourage the establishment of industry in areas of Canada where there is a special need to raise employment and income and broaden economic opportunity for people.

Well, Mr. Chairman, I submit that if the people of my riding do not qualify for this, then I do not know what they would qualify for.

With regard to the minister's statement, I would ask, why such narrow criteria for such a broad program of assistance? I recognize that statistical criteria must be employed, but we have asked that designation apply to the

general area on a regional basis or on a county basis, or counties adjacent to one another having similar problems and need for special economic development incentives. I ask not only for designation of the area in my riding but also for designation on a regional basis, so that general economic conditions will be improved and development accelerated.

In support of my plea this evening I should like to refer to the letter I received from the mayor of Kincardine this afternoon. It is dated July 9, 1966 and is as follows:

Dear Sir:

I follow very closely all reports from parliament as given by the London *Free Press*. I appreciate and wish to express my personal thanks for your efforts on our behalf re designated area. I note you are bringing attention to a letter by Ross Whicher to the Prime Minister on our behalf before the house next week. I personally wrote the Prime Minister on June 9, 1966 re statements by Kent Lamont, also a reply to a telegram from the Prime Minister after our delegation to Ottawa last summer and I am also waiting for a reply.

I also had a telephone call this evening from the chairman of the industrial commission in Kincardine, who received a copy of the statement alleged to have been circulated by the Liberal organization—and I say alleged because I have no way of knowing whether or not it is authentic until the government takes some sort of action. This is the statement that was forwarded, in the first instance, to the candidates in the last campaign. In his telephone conversation this evening the chairman urged me to do everything possible to alleviate the serious situation existing today in the town of Kincardine. He pointed to the area immediately to the north, which has already benefited from the designation; and while I do not doubt for one moment that there is a certain amount of jealousy, I feel that the people in the area are quite justified in feeling that way when we read that there has been recent industrial expansion and development in the communities which are immediately affected, namely Port Elgin, Owen Sound, Midland and further north.

Just recently there has been a new $1 million plant which commenced construction in the town of Port Elgin. There must be something wrong in the area, Mr. Chairman, when the Prime Minister chooses the Bruce peninsula, in particular the city of Owen Sound, to announce on November 4 tax incentives which were designed to help the tourist industry to earn more U.S. dollars. This announcement was featured in an article in the *Globe and Mail* for that date under the heading "P.M. announces incentives".

[Mr. Loney.]

There must be something wrong when we see press clippings on June 29, particularly one in the Port Elgin *Times*, which says that this area has been selected for a job vacancy survey.

There must be something wrong, Mr. Chairman, when a Liberal candidate prior to the last election said that, if elected, he would attempt to have the riding of Grey-Bruce designated in order to receive assistance to secure new industries. Another candidate in the riding of Bruce referred to the fact that action in Bruce county was needed, and this, mind you, is after the program had been brought in on August 5, 1965.

Another press clipping, this time from the Kincardine *News* for December 15, 1965, is headed "Confer with federal Minister of Inquiry" and commences as follows:

The exclusion of the Kincardine area from the federal government's "designated area" has dealt a severe blow to any hopes of attracting industry to this region, but the members of the local Industrial Committee are still striving to change the decision to draw the boundary line at North Bruce.

Another editorial is headed "Discrimination in Designated Areas".

We ask, Mr. Chairman, that something be done to alleviate this situation. We ask for consideration. We ask further for some amendment of the act to be brought in to equate opportunities in the Georgian Bay area. We ask that something—anything—be done to rectify the current decline and regression. Surely, Mr. Chairman, even though this government has a record of so many changes, revisions, last minute stands and reversals, it will find that in changing the formula it would not be setting any unwarranted precedent.

• (8:50 p.m.)

Mr. Nesbitt: Mr. Chairman, I regret having to take a couple moments of the time of this committee, but there are certain things that I must bring to the attention of the Minister of Trade and Commerce who is responsible, of course, for the Dominion Bureau of Statistics and for the recent so-called baby census that has taken place.

This variety of census of course is very important, and it should be accurate because government policies having to do with social welfare, immigration, finance and the like are dependant on its accuracy, as are businesses and like institutions throughout the country. A couple of instances of inaccuracies in the

recent census have been brought to my attention. I am sure that other hon. members have had similar things brought to their attention.

This census, Mr. Chairman, has cost many millions of dollars. Many government departments and government policies are dependant on the accuracy of it. I should like to cite an instance of inaccuracy in the census, for the benefit of the minister, and I hope that he may send out instructions, or that he may request the Dominion Bureau of Statistics to sent out instructions, so that something can be done to rectify the obvious mistakes and inaccuracies which have crept into the recent census taking.

A newspaper in the city of Woodstock reports an astonishing incident where a census taker went to a residence in which there are a number of apartments. The census taker, apparently unable to find at home some of the persons living in the apartment house requested the proprietor of the building to guess at the answers to some of the six questions that were put. The proprietor declined the invitation, and presumably the census taker filled in the answers from his, or her, as the case may be, imagination. It turned out that one of the occupants of the apartment building had been enumerated without her knowledge, and it was quite clear therefore that the information must have been filled in from the imagination of the census taker.

Another incident brought to my attention was in the city of Toronto. The home of a relation of mine, who at the time was temporarily absent was enumerated; Also his daughter, a university student, was taking a course outside the country. It turns out that the person replying to the census taker was informed that since two persons were absent from the residence on the day of enumeration, they could not be included in the census. Incidentally the hon. member for York South was informed of this incident by letter.

The thing I was to bring to the minister's attention is this: One of these incidents was uncovered by a newspaper, and the other was brought to my attention by a private individual, These are two instances of inaccuracies. There must be many other inaccuracies in this census. Even if 1 per cent of the information is wrong, that could have a very serious effect on the results of the census and the use to which the figures arising from it can be put.

This census has cost the taxpayers many millions of dollars. I hope that the Minister of Trade and Commerce considers it his responsibility to see that the Dominion Bureau of Statistics checks into this matter, to see if anything can be done about remedying these inaccuracies. It is quite clear, Mr. Chairman, that those who were responsible for instructing the census takers did not do their jobs very well. As for the people taking the census, certainly a considerable number of them did not know what they were doing.

I draw this to the minister's attention and I hope that he may take the appropriate remedial action.

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

INTERIM SUPPLY

Mr. Sharp moved:

Resolved, that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1967, the sum of $1,662,982,791.93, be granted out of the Consolidated Revenue Fund of Canada.

Mr. Knowles: Mr. Chairman, I should like to have the attention of the Minister of National Revenue for just a few moments with regard to a matter that I have had occasion to raise many times. The references that I wish to make on this occasion, however, are few and brief.

On June 17, as recorded in *Hansard* at page 6543, I asked the Minister of National Revenue if he would consider arranging for a term of reference to be given to the joint committee on the public service so that it might discuss the question of, adjusting the pensions of retired civil servants. The minister replied on that occasion in these words:

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I certainly would have no objection to doing that providing the committee completes the huge amount of work it now has before it in considering four very complicated bills.

I replied:

That is fine; we can do it after we have completed the other bills.

Ten days later, as recorded in *Hansard* at page 6873, I renewed the question. On that occasion I asked the minister if he would discuss with representatives of the various parties in the house the possible wording of a

term of reference so that the matter of increasing the pensions of retired civil servants might be considered by the joint committee on the public service when it has finished the other matters that have been referred to it.

I should like to read the reply given on that occasion, which as I have said is on page 6873. It reads as follows:

> Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, as soon as the joint committee has dealt with the rather tremendous task it has in front of it, namely the consideration of the bills to implement collective bargaining in the civil service, I would be pleased to discuss such a resolution with representative members of the parties opposite as well as with my cabinet colleagues, whose approval I must obtain before putting such a resolution on the order paper.

At no point in these proceedings have I attempted to get out of the minister more than I feel he promised. He made it very clear that the subject matter of my request, namely for the joint committee on the public service to discuss the pensions of retired civil servants, would have to come after we have considered the four bills referred to it. We have finished one of them, namely, the pension integration bill. The other three bills relate to the question of collective bargaining in the civil service and they are still before that committee.

• (9:00 p.m.)

It will obviously take some weeks, it may be fall, before we complete the work on the collective bargaining in the civil service, but it was my hope that the minister might meet the suggestion I made on June 27, namely that an appropriate term of reference might be drafted in order that those who are interested might know that this important question will be discussed by that committee.

The reason I suggested to the minister that he might discuss the wording of the term of reference with representatives of the various parties is that usually when something is done this way there is no debate on the floor of this house on such a motion. If there were an all-party agreement on such a term of reference it could be brought before the house some night just before closing time; it could be passed and then those who are interested would know that pensions of retired civil servants would be discussed in the committee.

I do not suggest, when I say this, that there is any question about the minister's promise. He is a man of his word. But I should be glad if before the recess, which will come along one of these days, he would confirm that this matter of pensions paid to retired civil servants and their widows can and will be discussed by the joint committee when it has finished its consideration of the other three bills.

Mr. Benson: I would simply say that I stand behind everything I have said in this respect. I personally have no objection to this matter going to the committee when it has completed the considerable amount of work presently before it. At the time I first answered the hon. member on this point there were four bills to be dealt with. Indeed I would hope that when we have completed supply we could quickly move to discuss item 51 on the order paper, so that we might have three items open. But when those three important measures have been disposed of, namely the bill with respect to collective bargaining in the public service, the Financial Administration Act and the new public service act, I would certainly be most pleased to see that the matter of which the hon. member has spoken is brought before the committee.

I do not believe I can give any further assurance than this—the assurance that I personally would like to see this matter discussed when the other important and urgent matters have been cleared up. However, as I stated earlier, I am not committing the government. I am merely saying that I personally am in favour of having this question discussed, and I leave the matter open.

Mr. Knowles: I thank the minister for his words of confirmation. He has stated his own position as a minister with respect to this matter and I dare to believe, and I dare to hope, that his cabinet colleagues will back him up when the time comes.

With respect to his suggestion that in a moment or two we might deal with order 51, I am sure we would all agree to that. It calls for concurrence in a Senate amendment to the pension integration bill, the whole purport of which is simply to correct two words in the French version of the bill. I am sure we would agree to do that and then we would be one step further on toward dealing with the pensions of retired civil servants.

Mr. Benson: If we had the consent of the house we could get that off the order paper immediately after supply. I repeat that this would be possible if the house were to give unanimous consent.

Mr. Knowles: We shall.

Motion agreed to.

Resolution reported and concurred in.

Mr. Benson thereupon moved for leave to introduce Bill No. C-226 for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the second time?

Mr. Benson moved the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 2—

Mr. Knowles: I believe I am correct in assuming the minister gave the usual undertaking about this bill at an earlier stage?

Mr. Benson: I gave the usual undertaking at the resolution stage before the somewhat lengthy debate which later took place, and I would simply confirm the usual undertaking with respect to it.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

Schedules A to H inclusive agreed to.

Preamble agreed to.

Title agreed to.

Clause 1 agreed to.

Bill reported and read the third time and passed.

• (9:10 p.m.)

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House,
Ottawa, July 11, 1966.

Sir:

I have the honour to inform you that the Hon. Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 11th of July, at 9.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General.

PENSIONS

CORRELATION OF VARIOUS PLANS WITH CANADA PENSION PLAN—CONCURRENCE IN SENATE AMENDMENTS

Hon. E. J. Benson (Minister of National Revenue) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. C-193, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for the sake of the record the minister might indicate what it is that this amendment does.

Mr. Benson: Mr. Speaker, when the bill was being considered by the committee, the committee recommended a change in two words in the French version of the bill, and when the bill passed the house it was with that amendment changing the two words in the French version. When the law officers of the crown saw that the amended words were not good French they recommended that they be converted back to the original version. The Senate agreed to that, and also agreed to leave the problem of complete translation of this bill, along with that of all other bills, to the committee which is dealing with the preparatory work for the Revised Statutes of Canada. The amendment does not change the purport or meaning of the bill in any way.

Mr. Diefenbaker: What are the two words?

Mr. Benson: The words "fonction publique" were substituted for "service public". It was then found that service public and fonction publique did not mean the same thing and so it was necessary to convert back to the original translation, with the understanding that the whole problem of translating this particular idea would be looked into by the committee dealing with revision of the statutes.

Mr. Diefenbaker: How did that go through a cabinet with so many outstanding French Canadians in it?

Mr. Benson: I would simply like to tell the right hon. Leader of the Opposition (Mr.

Diefenbaker) that it did not go through the cabinet. It was the committee which recommended this particular change of words, and their recommendation was adopted by the house. The cabinet then took a look at it and, with all the good French Canadians in the cabinet they found these words were not very good. They referred them to the law officers of the crown, who agreed, and so now we have the words reverting to the original version as agreed to by this very efficient cabinet.

Motion agreed to, amendment read the second time and concurred in.

LABOUR CONDITIONS

PROVISION FOR IMPLEMENTATION OF FINDINGS OF INDUSTRIAL COMMISSIONER

Hon. J. R. Nicholson (Minister of Labour) moved the second reading of Bill No. C-215, respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec.

He said: Mr. Speaker, I can think of no better way to introduce the motion that this bill be read a second time than to read the preamble to it:

Whereas the processes of free collective bargaining and of mediation between representatives of employing shipping companies using the ports of Montreal, Trois-Rivières and Quebec and of dock workers at those ports have been successful in producing agreement on wages and most of the other issues in dispute at the time of the strike of such dock workers that began in the month of May, 1966, and, in the report of the mediator appointed to mediate the issues then in dispute, it was recommended that an industrial inquiry commission be appointed under the Industrial Relations and Disputes Investigation Act to inquire into certain matters on which agreement was not reached and to report its conclusions thereon to the Minister of Labour at the earliest possible date;

And whereas an industrial inquiry commission to inquire into those certain matters has been appointed under the said act, and it is in the national interest that the conclusions of the said commission with respect thereto be carried into effect without delay following receipt of the report of the said commission, by the incorporation of those conclusions in the terms of settlement that were entered into following the settlement of the other issues involved in the dispute and in any collective agreements entered into pursuant to those terms of settlement.

The collective agreement under which the dock workers at the three ports worked for a period of nearly three years prior to May of this year, actually expired on December 31, 1965. Prior to its expiration, in fact in late October of last year, the unions concerned served notice of their intention to insist on changes in the agreement when the time came to negotiate.

It is of some significance that other locals of the International Longshoremen's Association represent the dock workers in the cities of Halifax and Saint John. The traffic on the St. Lawrence being closed in the early part of 1966, and the Port of Halifax being open, the Shipping Federation of Canada agreed with the Halifax local on the terms of a new collective agreement, and negotiations were opened with the bargaining representatives of the local in Saint John, New Brunswick. The new Halifax agreement provides that members of that union will receive any greater benefits that may be given to the St. Lawrence ports members as a result of subsequent negotiations.

On or about January 31 of this year the International Longshoremen's Association made application on behalf of the unions in the three St. Lawrence ports for the appointment of a conciliation officer to mediate their disputes. A series of meetings, upwards of 20 in number, took place between the bargaining representatives of the locals in the three ports and the shipping federation.

These meetings began in or about the early part of February and they continued well into the month of March. A long list of requests was presented by the longshoremen's association. Some counter proposals were submitted by the shipping federation. At these 20 odd meetings that were held in February and March several, though not all of these issues were discussed at some length, and I might say that the requests involved both monetary and non-monetary items.

About the end of March, following the breakdown of negotiations between the parties, the unions made application to me as Minister of Labour for conciliation services, and on April 4 I appointed a conciliator to mediate the matters in dispute. On April 15 the conciliation officer reported to me by telegram that there was considerable unrest in the port of Montreal, and that there was the likelihood of a wildcat strike. He recommended that a conciliation board be established immediately.

• (9:20 p.m.)

On the same day, April 15, I established a board as requested. The parties were notified by telegram of this fact and were asked to nominate their representative member to the board. Four days later a wildcat strike took place in the Port of Montreal, ostensibly over

the automobile parking privileges granted the longshoremen at that port. In fairness, Mr. Speaker, I might say that there probably were other reasons such as the delay factor in making progress with the negotiations. In any event the wildcat strike did occur. I asked Mr. Poirier, the conciliation officer, to intervene to see what he could do to have the men return to work.

In the meantime, on April 20 the Shipping Federation nominated its member on the conciliation board. On April 25 the International Longshoremen's Association nominated its representative on the board. In the meantime partly through the good offices of the conciliation officer, the men had returned to work on April 21. On April 29, the two representative members were formally appointed as members of the board and they were asked to agree on the third member who would be chairman.

On May 10, some 12 days later, the representatives of the two parties, the longshoremen's association and the shipping federation, agreed upon Mr. Justice Claude Prevost as the third member and chairman. On that same day a second illegal or wildcat strike occured at the Port of Montreal. The shipping federation then took the position that the union members should call off the illegal strike as a condition precedent to the continuation of the conciliation proceedings.

Hon. members will recall that at that time I expressed concern over this situation and actually expressed disapproval of the action of the federation, since I thought it was important that the conciliation board should proceed with a minimum of delay. I think I should reiterate, because of the tense situation which developed, that just prior to establishment of this conciliation board with a conciliation officer on the job—he had been there about two weeks—a walkout or illegal strike had occurred and the men had returned to work on April 31, only to walk out again on May 10. I mention these walkouts because they added to the tension and helped create a very difficult atmosphere for any conciliation or mediation proceedings.

I am not saying where the fault lay; usually there is fault on both sides in cases of that kind. Whatever the reason, because of the attitudes of the parties the conciliation board was not able to deal with any of the issues in dispute. They heard no evidence of any kind, no representations, and so reported to me on May 17. On the following day, May 18, I appointed His Honour Judge Rene Lippé, chairman of the trustees of the Maritime Transportation Association, as a mediator in this dispute. I think as every member in this house knows Judge Lippé is an experienced and able administrator with a broad experience in labour-management disputes.

I appealed to both parties to get together with Judge Lippé with a view to working out a settlement of the issues. He held several meetings with the parties during the period May 18 to June 13 inclusive, During this period he submitted several interim reports to me, some of which I passed on to the house. His final report was submitted to me on June 23 and this report was tabled by my parliamentary secretary on July 4.

As pointed out in the mediator's report, in the final stages of negotiation the crucial issues in the dispute were the size of the wage increase, job security, calls and recalls on the one hand and increased productivity and related matters on the other. From meetings which took place in Ottawa during the later stages of negotiation, June 10, 11, 12 and 13, it was obvious to everyone who had given serious thought to the matter that it would be absolutely impossible to get the shipping federation to agree to the very substantial increases in wages for 1966 and 1967, and the other benefits requested by the union, without assurance to them that they might expect some increased productivity at least during the year 1967.

In the early stages of negotiation the shipping federation had admitted that they were prepared to forgo any increase during 1966, but they thought that if they were going to be asked for further substantial increases to take effect in 1967, there should be some assurance of increased productivity in return.

I think I can summarize the position of the shipping federation by saying they simply were not prepared to agree to any increases for the second year without some assurance of increased productivity during the latter part of the two year term. I might refer to one of the documents that was tabled by me on Friday last. It is headed Terms of Settlement for the Two-Year Collective Agreement between the International Longshoremen's locals in Montreal, Trois-Rivières, Quebec and The Shipping Federation of Canada. The first paragraph of the agreement reads:

1. Each employee will receive 40c. for every hour worked as of January 1, 1966, made up as follows:—

20c. increase per man-hour worked retroactive to January 1, 1966, and effective up to but not including the day work resumes; and

20c. per man-hour worked retroactive to January 1, 1966, effective up to but not including the day work resumes, in compensation for improvements in productivity.

From date of resumption of work the above increases shall be applied on overtime as well.

That is, there would be no increase on the overtime prior to the date of resumption of work. Paragraph 2. has a similar provision:

An additional 15c. per hour increase in wages to be effective January 1, 1967; and a further 25c. per hour increase in wages to be effective on May 1, 1967 also in compensation for improvements in productivity. These increases shall be applied on overtime as well.

• (9:30 p.m.)

In the interests of brevity, it might be well for me to refer to the report of the mediator, which hon. members have had the opportunity to peruse, since I filed it in this house a week ago. On page 2 the mediator reports as follows:

Basically, the request of the association was:

(A) A 50 cents hourly increase retroactive to January 1st 1966;

(B) A further hourly increase of 50 cents for the year 1967;

(C) No modification of the work load until at the earliest January 1st 1968.

In addition, there was presented by the association a long list of further requests which, for the purpose of brevity I will qualify as fringe benefits, although this expression is not perfect in this instance. These requests were both of a monetary and of a non-monetary nature.

On the other hand, the stand of the Federation was that they are engaged in a competitive business and that any labour contract must take into consideration the economics of the business. In that light, the Federation stated that they were not in a position to make an offer as to the hourly wages and other benefits unless and until the question of the work load has been determined. Reference was made at that time by the Federation to the contract entered into in Halifax between the I.L.A. Longshoremen local and the Federation.

It was easy to determine on that first day that the parties were really too far apart to reach an agreement. I, therefore, decided to meet with the parties separately in an effort to mediate the issues for the immediate future, leaving for further negotiations a long term contract which would expire in 1968, if not 1969.

These meetings of the commissioner with each of the parties took place daily until Saturady the 21st, inclusive, at which time I submitted to the parties the following recommendations:—

I will not go into the details of the next two and a half pages of the report, but I should like to say that the mediator submitted to both sides these recommendations since the shipping federation was prepared to agree to a substantial increase in 1966 but not to a further increase in 1967. He suggested that the unions accept the increase which he proposed for 1966 and that an industrial inquiry commission be set up immediately to look into the matter of uroductivity and related matters. The parties would then have the benefit of this report, and he felt that within a relatively short time, certainly before the end of the year, these matters could be subjects for a negotiated contract for 1967-68 or possibly 1967, 1968 and 1969.

The mediator, continuing with his report at page 5 said:

Owing to the urgence of the situation, it has been impossible for the undersigned to give proper consideration to the question of reduction of crews. However, because of the importance of this issue, the undersigned recommends as soon as possible the appointment by the Minister of Labour of the government of Canada of an industrial inquiry commission to study this problem.

Without criticizing the past conduct of either party, the undersigned, pursuant to discussions with said parties, is of the opinion that it would be desirable that negotiations relative to the next collective agreement be initiated immediately.

The industrial inquiry commission who will study the problem of reduction in crews could also deal with this problem of negotiations.

This passage refers to wages and fringe benefits accompanying reorganization and improvements. This proposal was submitted to the shipping federation and to the unions but the unions did not accept it. In fact, their officers did not recommend it and they gave as one of their reasons that they did not want the contract to expire on December 31, 1966 only to find themselves in the midst of another serious dispute in the year of our centennial.

The union leaders told me that out of respect for the mediator they did call a meeting and submitted the proposal. They did not recommend it, however, and it was turned down. That was the proposal for the interim settlement for the year 1966 only. I might say that this recommendation for an interim solution was accepted by the shipping federation.

This turn down took place on Tuesday, the 25th, at the mass meeting, and the association rejected the mediator's recommendation for a temporary settlement. On Wednesday, the 25th, the parties were requested by telegram to meet again with the mediator. This they did and on that occasion the President of the International Longshoremen's Union from New York, Mr. T. W. Gleason, came to Montreal and met with the mediator and the representatives of the union. There was a caucus held of the shipping federation members and they made a further offer which is set out at pages 7 and 8 of the mediator's

report. I am not going to go into detail on it because it was not accepted.

On May 26 the unions made an offer which they referred to as their minimum proposals. There was some reduction in what they asked for. Instead of asking for 50 cents an hour in 1966 and another 50 cents an hour in 1967 they agreed to accept 40 cents an hour in 1966 and a further 40 cents an hour in 1967. These were the basic increases in the hourly rates, although there were fringe benefits and other items involved.

On May 27 that proposal was submitted to the shipping federation. On the following morning the shipping federation said it would not accept this proposal and again reiterated its stand with respect to a definite assurance that in the second year there had to be some assurance of increased productivity. At that time the mediator got in touch with me and presented one of his interim reports. He suggested that I invite representatives of both sides to Ottawa to discuss the basic provisions, and explore the possibility of settlement on the strength of an assurance that an industrial inquiry commission would be set up to inquire into the crucial issues. He indicated that such a course might lead to a settlement.

• (9:40 p.m.)

As I have already advised the house on an earlier occasion, in company with two of my colleagues, the Minister of Industry (Mr. Drury) and the President of the Privy Council (Mr. Favreau), and my deputy minister I met with the representatives of both parties here, and their legal advisers, in the later afternoon of May 27. Extended discussions took place. The memorandum used as a basis for such discussions contained the minimum demands put forward by the longshoremen on May 26.

On that occasion I suggested to the two parties that since it seemed that agreement was possible on most of the issues—I would say over 40 of the 50-odd issues that were involved—and agreement seemed almost certain on all but perhaps five or six of these items, they might agree to establish an independent commission and they could choose their own commissioner to inquire into the possibilities of increased productivity and related matters. I will not go into detail, but in the course of the discussion arguments were put forward that the average crew, or gang, strength in the port of Montreal is 18—I refer, of course, to a longshoremen's gang—but in Trois-Rivières it is 16, in Halifax it is 16, in Toronto it is 15 and on the west coast, in Vancouver and other ports, I am told that it is substantially less than that.

The longshoremen were concerned with job security and said it would have to be shown conclusively, or beyond a reasonable doubt, that they were not going to suffer through some whim on the part of the employers; it would have to be established. So my suggestion was that this inquiry commission could hear the evidence of both sides. The commissioner would be whom they would agree upon, or if they could not agree on one I, as Minister of Labour, after getting their advice would appoint one, that each side would have an assessor who would be there to assist the commissioner, and he could have as long as he felt necessary to inquire into the situation.

I might say that at this time, in the early morning of May 28, there was no suggestion of any legislative enactment to make the findings of the commission binding. The suggestion was that this be a voluntary arrangement between the two parties. Discussions lasted several hours and we adjourned in the wee, small hours of Saturday, May 28. The next morning the representative of the longshoremen got in touch with me and said, "I am not saying we will agree"—to the appointment of such a commission—"but there would be no point in our agreeing to it if the employers are not going to come along and meet what we refer to as the balance of our minimum terms". I said that I would speak to the employers, if he would discuss it with his people. This was on Saturday. We met the following day in Montreal. My colleague the Minister of Industry and my parliamentary secretary were with me. We had interesting, useful meetings. There is no doubt that there was a considerable narrowing of the issues, but the negotiations broke down again in the wee, small hours of Monday the 30th, this time largely on the issue of job security.

The international vice president of the longshoremen's association said that he was concerned with job security; he was not so much concerned with an inquiry. There might be an inquiry, there might not be; but he did not want the employers taking a position that was going to throw out of work bona fide longshoremen who had worked for an appreciable length of time. There were arguments about university students, taxi drivers and others who might not be bona fide longshoremen. In the course of the next day or two these points were straightened out by an exchange of wires; but when the

mediator brought the parties together again in late May—or it might have been early June—the unions then stated that they could not go along with the proposal for a commission. They made their position clear; they said, "If the government wants to establish a commission, it can." Other alternatives were explored by the mediator and, as shown in his report, on about June 10 or 11 he got in touch with me again and suggested another meeting in Ottawa.

This time they came to Ottawa on Saturday, June 11. My colleagues the Minister of Transport (Mr. Pickersgill), who had an interest in this matter because of the harbour board docks in Montreal, Quebec and Trois-Rivières, the Minister of National Health and Welfare (Mr. MacEachen), who had had a broad experience in this field, the President of the Privy Council, my deputy minister and I met with the two sides.

The first meeting began in the middle of the morning. It was then said, according to the report—the mediator was there—that apparently a deadlock or an impasse had occurred. I then invited suggestions for a solution and made the statement that the issues could not stay deadlocked forever. Then I made the suggestion, which had actually originated with the mediator, that consideration might be given, if they could agree on every other point except increased productivity and job security, to refer those issues to the commissioner.

At the meeting on the morning of Saturday, June 11, the president of the Canadian Labour Congress, Mr. Jodoin, was present and in the course of the meeting not only I but my colleague the Minister of Transport—at least the two of us—said, "It looks as if there might be a solution if we were to establish a commission and agree that its findings might be made binding on these two points."

Mr. Diefenbaker: Just "might be"?

Mr. Nicholson: Might be made binding. This was a proposal we were putting forward, that if they would agree that its findings might be binding, a solution might be found. The president of the Canadian Labour Congress said that the congress was opposed to compulsory arbitration. The spokesman for the longshoremen's association, their solictor or legal adviser, said that they were opposed—obviously there had been a change of heart in the intervening two weeks—to compulsory arbitration. He also said, "But if the government does set up a commission and the government is prepared to take the responsibility to make its findings binding, we will obey the law."

Some hon. Members: Oh, oh.

Mr. Nicholson: That was not surprising, because he was a lawyer.

Mr. Diefenbaker: Who made that statement?

Mr. Nicholson: The lawyer for the longshoremen's association.

Mr. Grafftey: The plot thickens.

Mr. Diefenbaker: Mr. Cutler?

Mr. Nicholson: Yes; Mr. Cutler said, "If this is done, we will obey the law." I say that statement was made not only to me in response to a statement I made, but later to the Minister of Transport.

• (9:50 p.m.)

Mr. Lewis: May I ask the minister a very short question? I assume he is speaking about Mr. Cutler. In reply to a question by the minister as to what the association would do if such legislation were passed, Mr. Cutler said they would obey the law; is that what happened?

Mr. Nicholson: I think I mentioned earlier that both Mr. Pickersgill and I had invited the longshoremen to speak quite freely. I might say that the shipping federation was not there. We asked if the longshoremen had any suggestions to make. Naturally they would have liked a contract continuing through to January 1, 1968 with an extra 40 cents next year and without any commitments on a change in productivity. There is no doubt about that phase of it in the early stages. However, when we asked them to bring forward any suggestions they might have, and they were not forthcoming, there were two occasions at which the Minister of Transport (Mr. Pickersgill) and I said that it had been suggested we establish the commission and that we might make only the findings on these issues binding. Both he and I asked them for their reaction at different times, to which they answered: If you take that responsibility; set up the commission and pass the legislation; we will obey the law.

Mr. Douglas: Did the minister take that as acquiescence to the proposal?

Mr. Nicholson: I will not say we took it as acquiescence at first, because the discussions continued for another 14 hours. There were further discussions in the afternoon during which there was no doubt as to their acquiescence to certain aspects of the proposal.

After the morning meeting we met again in the West Block, this time with simultaneous interpretation so that any of the longshoremen, who might not understand me, because my French is far from fluent, would know what I and others, said in the course of the discussions. I might say that the president of the Canadian Labour Congress said again that the congress was opposed to compulsory arbitration and that he wanted to make that fact clear.

The question was again asked, this time by Mr. Pickersgill, whether there was any other solution. We left the morning meeting at about 1.30 p.m. to meet with the shipping federation with whom we spent several hours in the afternoon. They insisted that an agreement be reached for the reorganization of longshoremen's gangs, new types of slings and other changes that might result in increased productivity. Eventually they did agree that if the government would take the responsibility for setting up the commission and agree to pass legislation, they would acquiesce in such a course and would agree to the second payment of 40 cents in 1967; 15 cents were paid on January 1 and 25 cents later in the year when the recommendations of the commission were implemented.

Other points were discussed at that meeting at which my colleagues and I, the Minister of National Health and Welfare (Mr. MacEachen), the Minister of Transport, the President of the Privy Council (Mr. Favreau) and my deputy minister were present. We met later with the longshoremen and their legal adviser.

Mr. Starr: Was the parliamentary secretary with you then?

Mr. Nicholson: Not on that occasion. He was at the earlier meeting in Montreal. I am sure it would have been very helpful if he had been there.

Mr. Starr: He knows more about it than all the other ministers.

Mr. Nicholson: On the evening of Saturday, June 11 we spent several hours with the longshoremen discussing the matter. We explained to them that we had been able to convince the shipping federation that, if they could not agree, the sensible way to settle this matter was to refer it to the commission whose findings on these two or three points would be made binding by legislation. I wish to assure this house that there is not the slightest doubt that this point was made clear to every longshoreman present at that meeting, including their lawyer. We were questioned about it back and forth over a period of several hours.

Mr. Lewis: May I ask the minister another question? Was Mr. Jodoin present at the meeting with the longshoremen's association the night of June 11?

Mr. Nicholson: No, Mr. Speaker. Mr. Jodoin was present at the morning session between roughly 11 a.m. and 1.30 in the afternoon. He then left for Toronto and was not present at the meetings held in the afternoon, the evening and early morning of the next day, Sunday.

Mr. Diefenbaker: Will the minister allow a question, as it is approaching ten o'clock? May I ask the minister on the basis of his long recital of the facts whether the house is to conclude that both sides, the shipping federation and the longshoremen representatives, agreed to compulsory arbitration?

Mr. Nicholson: No, Mr. Speaker. As I said in answer to the right hon. gentleman a day or two ago, they avoided reference to compulsory arbitration, although Mr. Jodoin brought it up on one or two occasions. Other words were used, that there would be a hearing and that the findings on these two or three unsettled points would be made binding by legislation.

Mr. Diefenbaker: That is compulsory arbitration.

Mr. Nicholson: It is a matter for judicial interpretation. I do not wish to argue with the right hon. gentleman. It may or may not be compulsory arbitration. It is a question of interpretation. In fairness to the longshoremen and their representatives I must say the longshoremen kept repeating that the government must take the responsibility for this, but they encouraged us to try to find a solution.

Mr. Grafftey: I wish you would.

Mr. Nicholson: When we came back and told the longshoremen that the employers were prepared—to use a colloquialism—to buy a pig in a poke and take their chances on the

findings of a commission, I can assure you that several of them—I will not say all of them—expressed to me their sincere appreciation for what we had been able to do in that regard.

The negotiations continued for several hours and at one time we thought an agreement had been reached. We had actually prepared a press release which we thought could be used by both parties, but at the very last minute the negotiations broke down partly on the question of recalls.

The longshoremen get four hours for the first call-up and at least in the port of Montreal they get two for the first recall. They were asking for a four hour recall. At about four o'clock in the morning this point became of critical importance. It was impossible to resolve it and the negotiations broke off in the wee hours, at about 5.30 a.m.

Mr. Starr: I rise on a point of order, Mr. Speaker. In view of the fact the minister has only reached June 11 in his recount of the facts and I think the settlement date was much later, could we not call it ten o'clock and carry on the discussion tomorrow?

• (10:00 p.m.)

Mr. Speaker: Does the hon. member know that the house has received a message that the Deputy to His Excellency will be expecting us very soon? Therefore in the circumstances we might continue with our business.

Mr. Lewis: Mr. Speaker, before the minister continues may I ask him this. Is the press release which was made ready for both parties on the early morning, I suppose, of June 12 in existence somewhere and, if so, could we be let in on it?

Mr. Nicholson: I would hope so, Mr. Speaker; but since it was drafted after discussion with both parties, and it was never used I would not want to make the positive statement that it was used. However, I will look for it if it might be of any use. It was drafted over at the West Block at about five o'clock in the morning and we had been at it continuously since nine o'clock the previous morning. Comment has been made on the fact that I have only reached June 11, but actually I have covered the period from October 1965 to June 11. The settlement was reached on June 14, so we have about three days left.

We broke up at 5.30 a.m., all of us tired and disappointed. And no one was more disappointed than the minister—unless it was the longshoremen, who had hoped that there was going to be a settlement reached, based on what the federation had agreed to.

Mr. Speaker: Order, please.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

• (10:20 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General has been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act respecting Canadian Pacific Railway Company.

An Act respecting Canadian Pacific Railway Company.

An Act to amend the Canada Student Loans Act.

An Act to amend the Excise Tax Act.

An Act to amend the Customs Tariff.

An Act to amend the Bankruptcy Act.

An Act to provide for the establishment of a fund for the economic and social development of special rural development areas.

An Act to provide for the establishment of The Company of Young Canadians.

An Act to provide for the establishment of a Dairy Commission for Canada.

An Act to provide for the establishment of a Health Resources Fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

An Act to amend the Atlantic Development Board Act.

An Act respecting the construction by Canadian National Railway Company of a line of railway in the Province of Manitoba from the vicinity of Stall Lake on the Chisel Lake Subdivision of Canadian National Railways in a northeasterly direction for a distance of approximately 12 miles to a point in the vicinity of Osborne Lake in The Pas Mining District of that Province, and of a line of railway in the Province of Saskatchewan from the vicinity of Watrous on the Watrous Subdivision of the said Railways in a northeasterly direction for a distance of approximately 18 miles to a point in the vicinity of Guernsey in the Regina Mining District of that Province.

An Act to authorize the Minister of Finance to transfer to the Provinces a proportion of the income tax payable by certain public utility companies.

An Act to amend the Exchequer Court Act.

An Act to incorporate Canadian Board of Missions of the Church of God (General Offices: Anderson, Indiana).

An Act to incorporate The International Society of Endocrinology.

An Act to incorporate Mennonite Central Committee (Canada).

An Act respecting United Baptist Woman's Missionary Union of the Maritime Provinces.

An Act to incorporate Lutheran Church in America—Canada Section.

An Act to amend the Crop Insurance Act.

An Act to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Diplomatic Service (Special) Superannuation Act, the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act and the Canadian Corporation for the 1967 World Exhibition Act.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1967.

LABOUR CONDITIONS

PROVISION FOR IMPLEMENTATION OF FINDINGS OF INDUSTRIAL COMMISSIONER

The house resumed consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-215, respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec.

Mr. Starr: Mr. Speaker, I think we can only digest so much. Perhaps we should consider what the minister has said and give him another opportunity to continue his statement at our next sitting.

I should now like to call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, does anyone know whether tomorrow's business is as announced a few days ago, or has there been some change?

Mr. Pennell: Mr. Speaker, I am advised that the business for tomorrow will be the following items on the order paper: item No. 82, the medicare resolution; item No. 81, second reading of Bill No. C-216, the income tax amendments; item No. 61, Bill No. C-194, in relation to the National Arts Centre and item No. 80, second reading of Bill No. C-215, the bill now before the house. That will be the business for tomorrow, but not necessarily in that order.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX "A"

APPROVED REVISED REPORT OF FEDERAL-PROVINCIAL STANDING COMMITTEE ON CONCEPT OF STUDENTS' NEEDS

The premises on which the concepts of need are based include the following:

(a) The responsibility for the costs of post-secondary education to the individual student remains primarily with the parent (guardian or immediate family) and/orthe student.

(b) Government at all levels are interested in supplementing family-student resources and resources available through educational institutions, where needed to ensure that all qualified students have the opportunity to reach their educational potential.

(c) It is desirable that the concepts and criteria used by governments and institutions in determining the need for loans, bursaries and other forms of assistance to students should be co-ordinated within a province by a provincial authority.

(d) It is desirable to co-ordinate among the provinces the concepts and criteria of need applied in administering federal assistance in this field.

2. Both the costs of education and the resources available to the student should be taken into account in developing the concepts of need.

The following criteria should be employed:

A. COSTS OF EDUCATION

The following costs should be taken into account in determining need:

(1) *Fees*—All compulsory fees of the educational institution.

(2) *Prescribed Books and Instruments.*

(3) *Board and Lodging During the Academic Year.*

(i) Institutional Residence—as charged by the institution.

(ii) Board and lodging away from home based on average costs in the region concerned.

(iii) Students living at home will be given a cost allowance of 40-50% of the costs allowed for board and lodging for students living away from home.

(4) *A Reasonable Allowance for Clothing, Laundry, Dry-Cleaning and Recreational Cost.*

(5) *Transportation.*

(a) From permanent residence in Canada to institution in Canada—

Two return trips a year, the cost not to exceed the equivalent of the cost of the most economical means based on costs of public transportation.

(b) From permanent residence in Canada to institution outside of Canada—

An allowance which will equal the lesser of one return trip a year by the most economical transportation, or a maximum amount established by the provinces.

(c) A Reasonable Allowance for Local Transportation.

(6) Premiums for Hospital and Medical Prepayment Plans.

B. RESOURCES TO MEET COSTS OF EDUCATION

(1) *Resources of Parents/Guardian of Dependent Students*

A single student engaged in post-secondary education below the first university degree and who has not been previously financially independent through employment for a period of at least one year is to be defined as being dependent.

Parents' income and assets are to be taken into account.

All application forms will have sections which elicit information concerning the parents' gross income, including for self-employed people gross income and expenses of a business or farm, and in all cases a statement of assets and liabilities.

(2) *Students' Own Resources*

(a) *Summer Earnings*

(b) *All Assets*

(i) Car (state value)

(ii) Other assets

(c) *Earnings During the Academic Year*

(d) *Scholarships, Bursaries and Tuition Grants*

(3) *Married Students' Resources*

The resources of a married student shall be the income available to that married student and his spouse less a predetermined annual allowance for basic family maintenance costs, depending on the size of the family, less the board and lodging allowances referred to in A (3) (iii) above.

3. *General Recommendations*

(1) Where an applicant feels that the award is inadequate or circumstances have changed since the award was made, the applicant may either appeal his case or re-apply to the provincial authority or to an institution delegated by that authority in accordance with the procedure established by the province concerned.

(2) A declaration shall be made in the application by the student, and where applicable by the parent or guardian, knowing it to be of the same force and effect as if made under oath by virtue of the Canada Evidence Act.

(3) These premises and criteria are acceptable to provincial and federal governments, and the federal and all provincial authorities will co-operate in giving full publicity to them.

4. Continuing attention will be given to developing a common application form for use in the provinces.

The above report was accepted on April 29, 1966, by a full federal-provincial meeting, including representatives of all participating provinces and the federal government.

R. W. Dalton, Chairman.
Assistant Deputy Minister (Education),
Department of Education,
Winnipeg, Manitoba.
C. L. Read, Secretary.
Director, Government Finance Division,
Department of Finance,
Ottawa, Ontario.

APPENDIX "B"

COMMUNIQUÉ AND DOCUMENTS ISSUED FOLLOWING CANADA-COMMONWEALTH CARIBBEAN CONFERENCE

FINAL COMMUNIQUÉ

During the past three days substantial progress has been made on the process of closer consultation and cooperation among the Commonwealth countries of the western Hemisphere. This development holds great promise for the future and will bring early practical benefits to all the participants. The Heads of Government participating in the present Conference are determined to continue and strengthen the fruitful collaboration among them which has been begun in Ottawa this week.

2. At the Conference Antigua, Bahamas, Barbados, Canada, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent and Trinidad and Tobago were represented by their Heads of Government and British Honduras by the Minister of Natural Resources and Trade. Britain was represented by an observer and by special invitation the University of the West Indies was also represented.

3. The Heads of Government took note that their Conference opened on the forty-first anniversary of the signature of the Canada-West Indies Trade Agreement.

4. The Conference welcomed the positive outcome of constitutional discussions for Barbados and the working out of special relationships between Britain and Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent.

Trade

5. A review of the special trade and economic relations among the Commonwealth Carribean-Canada group of countries was a central feature of the Conference. Ministers were unanimous in the great value they attach to maintaining and further strengthening the special trade ties between Canada and the Commonwealth countries of the Carribean. To this end, a special Protocol to the 1925 Trade Agreement has been approved by the Conference and signed by all participating countries. This Protocol provides for continuing close consultation and co-operation within the Commonwealth Caribbean-Canada group of countries.

Through the further strengthening of their trade and economic ties, this group of countries can best promote their own trading interests and the contribution they can make to the strengthening of international trade and economic relations throughout the world. The report of the Special Committee on Trade was unanimously adopted by the Conference and is attached.

6. It was agreed that a study of the question of a free trade area between the Commonwealth Caribbean and Canada might be made jointly by appropriate institutions to be designated by the Trade and Economic Committee.

Aid

7. The Heads of Government agreed that they shared an obligation in common to ensure the most effective use of the limited resources available in the Caribbean area and that an increased effort should be made to mobilize additional resources to accelerate the pace of economic development in the Commonwealth Caribbean area. The Canadian Government announced that it was Canada's intention to strengthen its aid efforts in the countries of the Commonwealth Caribbean, with which Canada had special links. These countries had demonstrated their ability to use available resources effectively to meet their urgent needs.

8. The Canadian Government indicated that its basic aid programme for the Commonwealth Caribbean countries will be generally made more flexible in its terms, and over each of the next five years will reach at least the level of the enlarged programme for the current fiscal year of a total of more than $65 million for the period. The proposals for special aid for the Universities of the West Indies and Guyana and for a Caribbean Broadcasting Service would raise the minimum figure to $75 million for the five-year period. With good and practicable projects the Commonwealth Caribbean part of the expanding Canadian aid programme for all purposes will rise substantially above that figure.

9. Reference was made to the problem of mobilizing in the area adequate financial resources to meet all of the local costs associated with economic development, and Canada indicated its willingness, in appropriate cases, to finance a portion of local costs of development projects.

10. Particular attention was devoted to the need for increased levels of assistance for the non-independent territories. In this connection, it was agreed that the report of the tripartite economic survey of Barbados, and the Leeward and Windward Islands, conducted by Britain, Canada and the United States, should be useful in promoting co-ordinated development efforts in the Caribbean and in mobilizing additional foreign resources to assist in fulfilling the potential for development in the dependent territories. The Conference agreed that further serious study of the report should be undertaken without delay and that meetings of those governments directly concerned might usefully be convened in the fall to consider the implications of the report and of the expected report on British Honduras for longer range co-ordinated aid efforts.

11. It was also agreed to study the possibility of establishing a financial institution for regional development which might be used as a method of financing projects of particular interest to the smaller areas, as well as projects which would benefit the region as a whole.

12. Special consideration was devoted to programmes of assistance to the University of the West Indies and the University of Guyana. Memoranda of Understanding on these programs were signed on July 8. The texts are attached as Annexes II and III.

Transport and Communications

13. The Heads of Government discussed matters relating to Transport and Communications both between Canada and the Caribbean and within the Caribbean area. The needs of the area for improved regional air services were reviewed and the technical cooperation of the Canadian authorities in meeting these needs was offered. Many of the governments represented the need for improvements of airport facilities and the Canadian Government agreed that these were matters which would be examined. The need for multilateral discussion with a view to the conclusion of air services agreements between Canada and the Commonwealth Caribbean countries was discussed and the desirability of consultation and the greatest degree of mutual cooperation in the negotiation of bilateral arrangements with other countries was stressed.

14. The restoration of direct shipping services between Canada and the Caribbean area was urged by several delegations and it was agreed by the Canadian authorities that this matter should be fully investigated in the light of its possible long term contribution to the promotion of trade. Reference was made to the international telecommunications network in being and in prospect. With regard to the operation of the telecommunication services within the islands, Canada would be pleased to provide technical training and advice within the context of the External Aid programme. The Canadian government offered to co-operate in working out and underwriting arrangements for first class air mail service at surface rates between Canada and the Commonwealth Caribbean countries to be established as soon as technical arrangements could be made.

Migration

15. In the discussion on migration the Heads of the Caribbean Governments took note of the fact that immigrants from the Commonwealth Caribbean were eligible for entry into Canada on as favourable a basis as immigrants from any other parts of the world and that migration from the area to Canada had increased in recent years. However, they emphasized the need for continued and expanded migration opportunities for their people. The Canadian Government announced that Canada was prepared to keep its door open to qualified immigrants from the Commonwealth Caribbean on a completely non-discriminatory basis. The experimental movement of seasonal farm labour to Canada from Jamaica during the current year was reviewed and Canada indicated that if the experiment proved successful and there was a continued need for outside labour in future years consideration would be given to broadening the program to include other Caribbean countries. Canada also announced a 100 percent increase in the special household service worker movement from the Caribbean to Canada, and the extension of the Canadian Immigration Assisted Passage Loan Scheme to immigrants from Commonwealth countries of the Caribbean.

16. The Government of Guyana explained that with accelerated development of Guyana's resources it would be possible for Guyana to absorb migrants from the Carib-

bean countries, and announced its willingness to make available immediately for settlement by Guyanese and other West Indians selected areas of known potential. The Heads of Government agreed that the machinery established for the continuation of joint action on matters discussed at the Conference should examine these plans as early as possible.

Other Economic Questions

17. The Heads of Government considered ways of promoting private investment in the Commonwealth Caribbean. They noted that there were no restrictions on the flow of Canadian private capital to the area but expressed concern at the effect which the absence of double taxation agreements could have on that flow. In the context of the relations between Canada and the Commonwealth Caribbean countries, the Canadian government indicated its readiness to enter into discussions leading to agreements with interested Commonwealth countries in the area to avoid double taxation.

18. They also discussed possibilities for developing the tourist industry in the Caribbean and as part of the process, as indicated in the report of the Trade Committee, the Canadian Government undertook to give consideration to the suggestion that enlarged duty-free exemptions be allowed to Canadians entering from Commonwealth Caribbean countries.

International Questions of Common Interest

19. The Commonwealth countries in the Western Hemisphere emphasized the great value they attach to their relations with the United States and the many countries in Latin America which make up the membership of the Organization of American States. Those participants in the Conference whose countries would be eligible for membership in that Organization indicated their intention either to carry out a joint study of the question or to give one another the benefit of national studies which were being made. They also expect to consult together on this question in the months ahead.

20. There was a thorough discussion of the implications of the continuing situation in Rhodesia. The Heads of Government noted that unless there was an early solution of this grave issue the future of the Commonwealth as a multi-racial association would clearly be endangered. They expressed the hope that such an early solution will be announced by the British Government at the forthcoming meeting of Commonwealth Prime Ministers.

21. The Conference endorsed the resolution adopted by the Commonwealth Caribbean Heads of Government at their recent meeting in Barbados affirming their fullest support for the self-determination of British Honduras in accordance with the wishes of the people of the country.

Cultural Relations

22. The Conference recognized the desirability of further strengthening the cultural ties between Canada and the Commonwealth Caribbean. It was decided to establish appropriate machinery for strengthening such ties with a view to giving the Canadian public the opportunity of seeing in their own country the expression by West Indian artists of indigenous Caribbean art forms such as the dance and the steelband and to making the West Indian public familiar with Canadian artistic achievements particularly in the field of the performing arts. The Government of Canada also indicated its willingness to assist with the establishment of broadcasting facilities serving the entire region of the Commonwealth Caribbean and consultations will now take place among the broadcasting authorities of the participating governments.

Methods of Following Up The Canada-Caribbean Talks

23. In keeping with the intention of Heads of Government that the consultations instituted at this Conference should be continued, it was agreed that a meeting of the governments represented should be held, at a date to be fixed and at an agreed venue in the West Indies, for a general discussion of Commonwealth Caribbean-Canada relationships and to review progress. In the meantime to ensure that effective follow-up action is taken on the matters discussed at this Conference it was agreed that, in addition to normal bilateral consultations, the High Commissioners of the Commonwealth Caribbean countries in Ottawa should consult jointly with Canadian officials regarding the timing and location of the first meeting of the Trade and Economic Committee and the form of other consultative arrangements for the future.

REPORT BY THE CHAIRMAN OF THE TRADE COMMITTEE

The Trade Committee established by the Conference on July 6 has held three sessions.

2. We reviewed a range of trade and commodity problems in the light of the Trade

Agreement of 1925 and of developments since then, including the prospects for the Kennedy Round of Tariff negotiations.

3. The Committee agreed that the 1925 Agreement continued to provide a valuable basis for our trade relations. In some respects, however, there is need to adapt the Agreement to current circumstances and requirements. The discussion of trade and commodity problems covered a number of issues of concern to participating countries, including problems relating to the trade in rum, rice, sugar, bananas, citrus and other fruits, vegetables and spices, wheat, salted fish and manufactured goods.

4. The Commonwealth Caribbean countries expressed particular concern about possible damage to their trade over any loss of their present preferential position in the Canadian market and the importance, particularly for the smaller territories, of improved shipping facilities for the development of their exports to Canada.

5. Considerable attention was given to the problems faced by the Commonwealth Caribbean sugar producers in their sales of sugar to Canada. Canadian representatives offered, subject to the necessary international waivers, to extend to Commonwealth Caribbean countries and territories collectively a tariff-free quota for raw sugar, the quantity being equal to the average volume of Commonwealth Caribbean sales to Canada over the past five years. This was intended to provide an opportunity for them to maintain their traditional sales to the Canadian market and enhance the return to their producers. In addition, the Canadian representative indicated their willingness to work towards an effective International Sugar Agreement with a price range that would yield a fair return to producers and would be equitable to consumers.

The Canadian representatives indicated their expectation that the price benefits of the elimination of the need to pay the BP Tariff rate of .29¢ a cwt would accrue to Commonwealth Caribbean suppliers. It is not the intention of the Canadian authorities to allocate the tariff-free quota between Commonwealth Caribbean suppliers. Any arrangements in this regard would be for the Commonwealth Caribbean suppliers to work out among themselves.

6. A number of Commonwealth Caribbean countries emphasized their difficulties in developing their exports of bananas to the Canadian market. Several countries are heavily dependent on bananas for their employment and export earnings. The special importance of shipping facilities was underlined in developing this trade. It was agreed to conduct a joint study of this important item at an early date.

7. Representatives of several Commonwealth Caribbean countries referred to problems relating to the valuation for duty of their exports of manufactured goods to Canada. It appeared that their concerns might in part be met by use of the new Section 37A of the Canadian Customs Act. This was intended to deal with inadvertent discrimination in Canadian customs law in connection with imports from countries with compact domestic markets in which goods are normally sold in small quantities or direct to the retail level.

8. Several members of the Committee referred to difficulties they had encountered in exporting rum to Canada, specifically problems involving labelling, the content provisions of the Canadian Excise Act, advertising restrictions, provincial listing and mark-up practices and the tariff treatment of normal rum containers. The Canadian representatives undertook to consider amending the labelling requirements and to use their good offices with the Provincial authorities respecting these matters for which they have responsibility.

9. Several members of the Committee referred to the difficulties involved in the Canadian requirement that, in order to receive preferential treatment, goods must be shipped direct to the Canadian port from a Commonwealth country. Canadian representatives indicated the Canadian Government's willingness to waive Article VII of the 1925 Agreement on this point.

10. In the context of the development of tourism, several Committee members asked whether consideration might be given to enlarged duty-free exemptions for Canadians returning from Commonwealth Caribbean countries. The Canadian representatives undertook to give consideration to this suggestion.

11. The Canadian representatives referred to their concern about instances where certain Canadian producers and manufacturers were being excluded or restricted in their access to traditional markets and expressed their desire to avoid damage to these established trading interests. Particular reference was made to Canadian exports of salted fish

and wheat flour. The Commonwealth Caribbean countries concerned indicated their intention to ensure a fair opportunity for Canadian trade in their markets.

12. The Committee recognized that it was not possible in the short time available to resolve all outstanding problems. It agreed that it is highly desirable to maintain close consultations on trade and economic matters and decided to this end to recommend that, in addition to present facilities for consultation on a bilateral basis, a Standing Committee on Trade and Economic Affairs should be established to meet from time to time at Ministerial or official level as may be appropriate.

13. The Committee considered a draft protocol to give effect to the conclusions reached. The proposed text of a protocol is attached and is recommended by the Committee for approval by the Conference and for signature. The text of the Canadian Government Proposal on Sugar is also attached.

14. The Committee expressed its dissatisfaction with the offer on tropical products recently tabled by the European Economic Community in connection with the Kennedy Round trade negotiations in Genera. They also took note of the suggestion that the Caribbean Commonwealth country interests in the lowering of the EEC tariffs on rum and alumina be kept in mind by Canada in its negotiations with the Community.

15. The discussions in the Trade Committee were carried out in a most friendly and constructive atmosphere.

CANADA-WEST INDIES TRADE AGREEMENT PROTOCOL

Recognizing the important changes which have taken place in their trade and commercial relations since the negotiation of the Canada-West Indies Trade Agreement of 1925;

Recognizing the desirability of close co-operation and collaboration in the development of their respective economies in order to facilitate the most efficient utilization of resources and the maximum development of mutually advantageous trade;

Taking into account the urgent economic development needs of the Commonwealth Caribbean countries and the key importance of trade to the raising of their standards of living and the progressive development of their economies;

Taking into account the common interest of the Commonwealth countries of the Caribbean and Canada in ensuring a fair and remunerative return at stable prices for exports of primary products of particular interest to them and the urgent need of these countries to diversify their exports:

Antigua, the Bahamas, Barbados, British Honduras, Canada, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts-Nevis-Anguilla, Saint Lucia, Saint Vincent, Trinidad and Tobago agree as follows:

1. To examine the 1925 Canada-West Indies Trade Agreement in detail with a view to its further amendment or re-negotiation in the light of the results of the Kennedy Round of trade negotiations under the General Agreement on Tariffs and Trade;

2. To continue the Canada-West Indies Trade Agreement of 1925 in force, ad interim, subject to the following:

(i) to the extent that it may be necessary in order to avoid conflict between the provisions of the Agreement and the provisions of the GATT, the obligations of the Agreement, after consultation, may be waived.

(ii) Canada will consult with the Commonwealth countries of the Caribbean before concluding any agreement in the Kennedy Round which would have the effect of reducing margins of preference bound under the Agreement and to take such reductions into account in any renegotiation of the Agreement.

(iii) The direct shipment requirements of Article VII are waived.

(iv) Part II of the Agreement relating to steamship services is recognized as being no longer in effect.

3. To consult upon request with respect to measures to encourage economic development which might substantially affect the trading interests of the other parties, with a view to avoiding possible damage to those trading interests and to achieving the best use of resources, taking into account the scope for regional co-operation.

4. To consult and co-operate on tourism and in establishing or improving transportation, communications and other facilities designed to promote mutually beneficial trade and other exchanges.

5. To work together in international commodity discussions and arrangements, and particularly to seek to secure and maintain an appropriate and effective price range under a new International Sugar Agreement

which will be remunerative to producers and equitable to consumers.

6. To endeavour to revive the banana trade and to bring about increased sales of bananas to Canada from the Commonwealth countries of the Caribbean.

7. To seek to secure acceptable conditions of access for wheat in world markets in order to bring about increased trade at prices which will be remunerative to efficient producers and fair to consumers, taking into account world food needs.

8. The Commonwealth countries of the Caribbean undertake in the development of local flour mills to provide fair and equal opportunities for the Canadian industry to participate in their development and for Canada to have a fair and equal opportunity to supply the wheat requirements of such new mills.

9. The Commonwealth countries of the Caribbean undertake to ensure that Canadian exporters of salted cod are given a fair and equal opportunity to supply the market requirements at prices which will be remunerative to efficient producers and fair to consumers.

10. To accord fair and equitable treatment to individuals and enterprises of the other parties.

11. Canada undertakes to require that the origin and Canadian content of any rum marketed in Canada be clearly marked and to use its good offices with the provincial authorities to facilitate the marketing of rum from the Commonwealth Caribbean countries.

12. In pursuance of the foregoing to establish a Commonwealth Caribbean-Canada Trade and Economic Committee to consult on trade, financial and related matters, which shall meet from time to time at ministerial or senior official level as may be appropriate.

In respect of those territories for which the United Kingdom Government has a responsibility in these matters, this Protocol is being signed with the authority of the Secretary of State for the Colonies.

Done at Ottawa on the eighth day of July 1966 in a single copy in the English and French languages, each version to be equally authentic.

Fait à Ottawa le huitième jour de juillet 1966 en une seule expédition en langues anglaise et française, l'une et l'autre version faisant également foi.

Signed on behalf of the Government of Canada
Signé au nom du Gouvernement du Canada .....

Signed on behalf of the Government of Jamaica
Signé au nom du Gouvernement de la Jamaique .....

Signed on behalf of the Government of Trinidad and Tobago
Signé au nom du Gouvernement de la Trinité et Tobago .....

Signed on behalf of the Government of Guyana
Signé au nom du Gouvernement de la Guyane .....

Signed on behalf of the Government of Antigua
Signé au nom du Gouvernement d'Antigua .....

Signed on behalf of the Government of the Bahamas
Signé au nom du Gouvernement des Bahamas .....

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Signed on behalf of the Government of Barbados

Signé au nom du Gouvernement de la Barbade .....

Signed on behalf of the Government of British Honduras

Signé au nom du Gouvernement du Honduras britannique .....

Signed on behalf of the Government of Dominica

Signé au nom du Gouvernement de la Dominique .....

Signed on behalf of the Government of Grenada

Signé au nom du Gouvernement de Grenade .....

Signed on behalf of the Government of Montserrat

Signé au nom du Gouvernement de Montserrat .....

Signed on behalf of the Government of St. Kitts-Nevis-Anguilla

Signé au nom du Gouvernement de Saint-Christophe-Nevis-Anguilla .....

Signed on behalf of the Government of St. Lucia

Signé au nom du Gouvernement de Sainte-Lucie .....

Signed on behalf of the Government of St. Vincent

Signé au nom du Gouvernement de Saint-Vincent .....

ANNEX II

CANADIAN GOVERNMENT PROPOSAL ON SUGAR

The Canadian Government proposal regarding raw sugar imports from the Commonwealth Caribbean countries and territories is to provide on a unilateral basis duty free entry for a quantity of raw sugar equal to the average of such imports for the last five years.

This would mean the abolition for such countries and territories only of the present British Preferential Tariff rate of approximately 29¢ a cwt. Any allocation of this tariff quota would be a matter for the Commonwealth Caribbean Governments.

This tariff quota would, of course, be a new tariff preference and could not therefore be implemented before a waiver was obtained from the no-new preference provisions of the GATT. Releases would also be required from the Australian, South African and United Kingdom Governments with whom Canada has trade agreements involving obligations concerning the Canadian Tariff on raw sugar. The Canadian Government will be prepared to use its best endeavours with the Canadian sugar refiners to ensure that the amount of the tariff free quota is in fact taken up each year and that the full benefit of the additional margin of preference is received by the West Indian producers.

HOUSE OF COMMONS

Tuesday, July 12, 1966

The house met at 2.30 p.m.

PRIVILEGES AND ELECTIONS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. G. Roy McWilliam (Northumberland-Miramichi) moved that the first report of the standing committee on privileges and elections, presented to the house on Thursday, July 7, be concurred in.

[*Translation*]

Mr. Grégoire: On division.

[*English*]

Motion agreed to, on division.

• (2:40 p.m.)

CANADIAN CORPORATION FOR WORLD EXHIBITION

AMENDMENT INCREASING PROTECTION FOR SYMBOLS, INSIGNIA, ETC.

Hon. C. M. Drury (for the Minister of Trade and Commerce) moved the first reading of Bill No. S-42 (from the Senate), to amend the Canadian Corporation for the 1967 World Exhibition Act.

Motion agreed to and bill read the first time.

AIR TRANSPORT

REPORTED U.S. OBJECTION TO CANADA-RUSSIA AGREEMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Secretary of State for External Affairs whether there is any basis for press reports to the effect that President Johnson, or someone on his behalf, raised strong objections to Canada signing an air agreement with the Soviet union or Soviet government. When were those representations made, and were any of them in writing?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Canada-U.S.S.R. air agreement, copies of which were tabled in the house yesterday afternoon, provides for air service between Moscow and Montreal only. It is expected that both Air Canada and Aeroflot will fly one round trip per week between these two cities, but there is no question in the agreement of an extension to other points.

So far as I am aware the United States is not opposed to this agreement. Indeed, hon. members may recall that in 1961 the United States negotiated a somewhat similar agreement with the Soviet union, although this has not yet been brought into effect.

In any event, the agreement signed yesterday by the Canadian government is based on decisions taken by the Canadian government.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the question I asked was whether objections had been raised by President Johnson or someone on his behalf, and it requires just a simple answer. If such did not take place then surely a negative answer would be the answer, rather than a generality.

Mr. Martin (Essex East): Mr. Speaker, I have not used generalities in my response. I have given a pretty detailed reply to most of what my right hon. friend asked—

Mr. Diefenbaker: Most of it.

Mr. Martin (Essex East): —but since my right hon. friend reminds that he had another aspect to his question I might as well address myself to that.

As my right hon. friend knows, it is not normal to confirm or deny whether exchanges of communications between heads of government have taken place on any particular subject. Such communications are privileged. Of course there has been an opportunity not only for the United States but for other countries to express their views, but I would repeat that the agreement signed yesterday, so far as I am concerned and so far as I know, is not opposed by the United States. I also added that in any event the decision taken was a decision taken by the government of Canada.

Mr. Diefenbaker: If there was not any objection, wherein did the courage consist?

Mr. Martin (Essex East): In replying to my right hon. friend.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

EXTERNAL AFFAIRS

LAOS—REPORTED BOMBINGS BY U.S. AIR FORCE

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. In view of reports from Saigon to the effect that for several months the United States air force has been bombing targets in Laos to the extent of some 100 strikes a day, I should like to ask the minister whether he is in possession of this information; and was he ever given the information by the United States government or by the Canadian representatives on the international control commission?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend will recall that some weeks ago this question was asked and I indicated that the commission had received a complaint about these alleged bombings in Laos and that the commission, which of course includes a Canadian representative, depends upon those who made the complaint to facilitate the commission's examination of the allegations. Such permission has not yet been granted.

Mr. Douglas: May I ask a supplementary question, Mr. Speaker. Will any representations be made either to the government of Laos or the United States government for permission to investigate these charges?

Mr. Martin (Essex East): The permission in this case in practical terms would not necessarily be given entirely by the royal government of Laos but also by those forces in Laos opposed militarily to the royal government. It is to these forces that a request by the Laos government to make an investigation must be made. The royal government of Laos does not fully control the whole territory of Laos.

Mr. Douglas: I have another supplementary question. With reference to the United States airports in Laos and in Thailand from which some of this bombing is going on, has any request been made of the government controlling these areas with regard to an investigation?

Mr. Martin (Essex East): There have been communications quite recently—I am not familiar with the details—addressed by the commission along the lines of those referred to by my hon. friend.

[Mr. Martin (Essex East).]

[*Translation*]

FINANCE

DISCLOSURE OF INTEREST RATES ON SMALL LOANS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Finance.

Can the minister advise the house whether he has received any representations to the effect that legislation should be passed in this house to lower the interest rates charged by small loans companies and whether he intends to have such new legislation passed this year?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I cannot recall having recently received any such representations on this subject, although it is a matter of continuing interest to Canadians generally. It is my intention, as I said when speaking to the resolution preceding the introduction of the bill to amend the Bank Act, to convene a federal-provincial conference this year to discuss consumer credit, which of course will include interest and the revelation of true interest charges.

NATIONAL DEFENCE

REQUEST THAT NO CHANGE BE MADE IN NAVAL UNIFORMS

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. The men in the highland regiments of our armed forces are delighted to know that the minister intends to retain the kilt. In view of the interest in our seagirt provinces, would the minister give a similar assurance that the uniforms now worn by the officers and men of Her Majesty's Royal Canadian Navy and reserve will not be changed in design, pattern or colour?

Mr. Speaker: Order. I allowed the hon. member's question yesterday, but I think perhaps this one should not be asked at this time. It might be placed on the order paper or discussed at ten o'clock this evening.

Mr. Crouse: On a point of order; I believe the morale of our armed forces depends on many things, not the least of which is an adherence to tradition which builds esprit de corps among the men.

Mr. Speaker: Order, please. I think the morale of the armed forces will hold up until this evening at ten o'clock.

UNITED NATIONS

CANADIAN ATTITUDE TOWARD ADMISSION OF MAINLAND CHINA

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the Prime Minister's answer yesterday to the member for Oxford I should like to direct a question to the Secretary of State for External Affairs. Has the government set up a special body of officials to advise on a course of action relating to the seating of communist China at the next session of the United Nations and, if so, will the government make its attitude known before the session begins? I think it is important that this question be asked at this particular time.

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

Mr. Grafftey: May I ask—

Mr. Speaker: Order, please. Is the hon. member rising to ask a supplementary question?

Mr. Grafftey: Yes, I have a supplementary question, Mr. Speaker. Does the answer given by the Secretary of State for External Affairs mean yes, a body has been set up, and yes, the government will make its decision known before the session begins?

Mr. Martin (Essex East): So that my hon. friend's important question will receive the treatment it deserves, when I said "yes" I meant that we are studying this and we have employed the technique for our departmental study that my hon. friend mentioned in his question.

OLD AGE SECURITY

REQUEST FOR STATEMENT ON INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. Can the minister tell us the day or the order of business under which he will make his promised statement to the house regarding old age pensions?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I am not exactly sure of the day, but at the moment I think the most appropriate time to make it would be on motions.

Mr. Knowles: Is it still true that it will be on a day during this part of the session?

Mr. MacEachen: Yes.

DEFENCE PRODUCTION

REPORTED CANCELLATION OF CONTRACTS BY UNITED STATES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to direct a question to the Minister of Industry in relation to the question I asked yesterday. Has the minister anything to report to the house today in regard to the cancellation of contracts with the Canadian government or Canadian companies by the United States government? I have in my hand a quotation from a statement by the secretary of defence regarding such contracts.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, perhaps the hon. gentleman would read the quotation he has in his hand.

Mr. Speaker: Order. I would prefer the hon. member not to read the quotation.

Mr. Winkler: Mr. Speaker, the minister cannot get away with that sort of business.

Some hon. Members: Oh, oh.

Mr. Winkler: I should like to ask—

Mr. Speaker: Order, please. The hon. member has asked a question and I think the question in itself is complete. It is now up to the minister to either reply or refuse to answer.

Mr. Winkler: Mr. Speaker, I wish to pose another question for the minister. Have any export permits for the sale of aerial bombs been approved by the government?

Mr. Drury: Mr. Speaker, no export permits for the sale of aerial bombs have been approved by the government of Canada.

Mr. Winkler: I have a supplementary question. I should like to ask the minister whether any applications for the sale of bombs have been received by the government.

Mr. Drury: Although this is not my responsibility as minister, to the best of my knowledge no applications for export permits

for the sale of aerial bombs have been received.

Mr. Winkler: Whose responsibility is it, Mr. Speaker?

Mr. Speaker: Order, please.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry whether it is a fact that as a result of production decreases and rising costs an aircraft parts contract for Canada in the amount of $62.8 million has been lost. I refer to a contract under which De Havilland of Canada undertook to supply wing and stabilizer units for the new DC-9. Can the minister say whether in fact this contract has been lost to Canada, and whether the government has an alternative means of making up the consequent economic effects of this very large reduction?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I shall be glad to attempt to ascertain the facts of this situation. I am not aware that a large contract of this kind has been cancelled.

Mr. Winkler: Mr. Speaker, I have a supplementary question based on a statement made by the secretary of defence for the United States. He said:

—I recall one contract with a Canadian concern for bomb production which will be cancelled as a result of this cutback.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Winkler: I wish to ask the Acting Minister of Trade and Commerce whether any applications in any form have been received by the Canadian government for the sale of aerial bombs to the United States.

Mr. Drury: The question is sufficiently urgent, Mr. Speaker, to warrant a very thorough and profound inquiry. I will have this made.

EXTERNAL AFFAIRS

MAINLAND CHINA—REPORTED BAN ON TOURISTS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs in view of a story in this morning's paper that mainland China has apparently applied a ban on tourists. In view of the fact that a group of Canadian high school teachers, and maybe others, are now in Hong Kong awaiting admission to China on previously obtained visas, would the minister make inquiries and take steps to get the Chinese government to agree that such groups should be admitted despite the present ban?

Mr. Speaker: Order, please. I have very serious doubts that this is the type of question that can be asked during this period of our daily procedures. The hon. member has made a point and has brought a situation to the attention of the minister, and I assume that the matter will be taken into consideration, but I suggest to the hon. member that it should not be raised as a question at this time.

Mr. Lewis: With great respect, Mr. Speaker, and just to make it clear, the reason for the question having been asked is that the group I referred to is now in Hong Kong awaiting admission in the next day or two, and stands to lose a very substantial sum of money which has been paid into the Bank of Peking for that purpose.

Mr. Speaker: I suggest that the problem and difficulty pointed out by the hon. member cannot necessarily be solved by the question being asked at this time.

INDUSTRY

INSTRUCTIONS FROM U.S. RESPECTING FLOUR FOR CUBA

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is for the Minister of Trade and Commerce, but in his absence I should like to ask the Minister of Industry whether he is aware that the three American owned flour mills in Canada, Robin Hood, Quaker and Pillsbury, have received letters from Washington forbidding them to mill Canadian wheat in Canada for sale to Cuba; and does the minister consider this action to be in keeping with the principles of good corporate citizenship expected of firms operating in Canada?

Mr. Speaker: Order, please. I suggest to the hon. member that this question is not so urgent that it should be asked just now.

Some hon. Members: Oh, oh.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a question of order. The question that was

asked by the hon. member for Winnipeg South is one of great consequence, as to whether the United States of America is asserting extraterritoriality over Canadian corporations.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: They tried that when I was prime minister, and I want to find out where the courage is now on the part of this government to face this situation.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. The Chair does not deny that the matter is one of great importance from the Canadian standpoint; but I did not think, and still do not think, it is a question that can be asked at this time because it is of such a general nature. If the hon. member feels aggrieved and thinks it is very urgent the House of Commons, itself, has provided an alternative; it allows hon. members who feel they have a matter of urgency to raise to take the question up at the adjournment debate. The course is open to the hon. member for Winnipeg South to do that this very evening at ten o'clock, at which time he can ask the question and there can be an answer.

I have pointed out before, and do so again, that it is very easy for the Chair to make a mistake on this kind of question. The decision has to be made on the spur of the moment, and certainly mistakes can be made. But it is to guard against such mistakes that an escape valve has been supplied through provision for discussion later in the day. Therefore if the hon. member for Winnipeg South feels he has a matter of extreme national urgency he can discuss it in just a few hours' time in the adjournment debate.

Mr. Diefenbaker: I rise again to ask a question arising out of the question that was asked previously. I wish to ask the Secretary of State for External Affairs whether it has come to his notice that the United States administration is today endeavouring to dictate to Canadian corporations, even though they have been capitalized by the United States.

Mr. Speaker: Order, please. The right hon. Leader of the Opposition is obviously asking the same question.

Mr. Diefenbaker: No, Mr. Speaker.

Mr. Speaker: The right hon. gentleman says no. I am here as the servant of the house, and if there is a general feeling that a question which has been ruled out of order as not being of extreme urgency should be recognized and answered, then certainly I am quite willing to swallow my pride and allow the question.

Some hon. Members: No, no.

Hon. Paul Martin (Secretary of State for External Affairs): As we are nearing the end of the session, Mr. Speaker, may I take the responsibility of suggesting, as this question has been asked by the right hon. gentleman as well as by other hon. members, and without in any way suggesting that Your Honour's decision is wrong, that perhaps you would want the government to clearly indicate that if there is any extra-territorial application in this matter, then of course the government will take the strongest action in the national interest.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wish to rise on the point of order which has been raised.

Mr. Speaker: Order. There is no point of order. The question has been asked and answered. I will certainly allow supplementary questions, and I understand the hon. member for Winnipeg South wishes to ask a supplementary question now.

Mr. Sherman: I was merely going to point out, Mr. Speaker, that I asked in my question whether the minister was aware of the situation. However, I respect the Chair's ruling, and I will ask for permission to debate the question at ten o'clock.

Mr. Speaker: We will have our cake and eat it.

Mr. Douglas: May I rise on a supplementary question and ask the Secretary of State for External Affairs whether it has come to the attention of the government that any of the three milling companies mentioned by the hon. member for Winnipeg South had been instructed by the U.S. government that they are not to mill flour to fill the U.S.S.R. contract?

Mr. Martin (Essex East): This has not been brought to my attention. The Acting Minister of Trade and Commerce informs me he has already asked that this matter be examined, which I will also request when I leave this chamber.

Inquiries of the Ministry

LABOUR RELATIONS

B.C. LONGSHOREMEN—REQUEST FOR TABLING OF TELEGRAM

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Labour which perhaps his parliamentary secretary would be prepared to deal with in the minister's absence. I should like to ask the Minister of Labour whether he will table in the house a copy of a telegram to the longshoremen in British Columbia, on the strength of which it is reported that the longshoremen who were in jail have paid their fines and been released.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): I will bring the matter to the attention of the minister, Mr. Speaker, who will be back here within an hour.

FISHERIES

BAY OF FUNDY—AMENDMENT OF SEINING REGULATIONS

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): My question is directed to the Minister of Fisheries. Since I began this session with a question on fisheries I might end it with one.

Can the minister inform the house whether there are any changes to be announced in the fishing regulations pertaining to seiners on the Bay of Fundy between the New Brunswick coast and the Nova Scotia coast? Several questions relating to this subject have been asked by myself and other hon. members during this session. The urgency of the matter lies in the fact that the house may not be sitting when the next season starts and the discrimination might continue.

Hon. H. J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker, in the last few days I have signed a recommendation to the governor in council suggesting changes in the existing regulations. The closing date will be advanced from November 15 to, I believe, September 30. Furthermore, I have also amended the regulations in order to protect the weir operators on the Nova Scotia side by not allowing seiners to operate within one mile of set weirs.

[Mr. Martin (Essex East).]

EXTERNAL AFFAIRS

VIET NAM—RESOLUTION OF CANADIAN UN ASSOCIATION

On the orders of the day:

Mr. L. M. Brand (Saskatoon): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. On July 7 I asked the Prime Minister whether he or the hon. gentleman opposite had received a resolution from the United Nations Association of Canada supporting the recommendations of U Thant made on June 20, 1966 regarding the war in Viet Nam. At that time the Prime Minister said he could not recall it but would look into the matter together with the hon. gentleman opposite and give us an answer in a few days. I wonder whether the minister is prepared to answer this question now.

Hon. Paul Martin (Secretary of State for External Affairs): I apologize for not having responded as quickly as we indicated we would. I will look into the matter right away.

AIRPORTS

BRANDON, MAN.—COMPLETION OF TERMINAL CONSTRUCTION

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister without Portfolio, notice of which I have given to him. Can the minister indicate whether final clearance will be given for the new terminal at Brandon in time for summer construction?

Hon. John N. Turner (Member of the Administration): I wish to thank the hon. member for having given me notice of this question. May I say in answer that discussions with officials from the city of Brandon are still continuing, and it might be a little difficult to have the terminal opened this summer.

NATIONAL DEFENCE

NATO—INQUIRY AS TO CLOSING OF AIR BASES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I try my luck with the Minister of National Defence and ask him whether he is planning to shift the Canadian air bases from France to other places in Europe, or will he reduce Canada's financial obligation by closing those bases and not reopening them elsewhere?

Hon. Paul Hellyer (Minister of National Defence): As soon as the government's decision is made on this matter, Mr. Speaker, it will be announced in the normal way.

Mr. Churchill: The minister said that several days ago. May I ask whether he has resolved his differences with the Secretary of State for External Affairs, who wants to maintain Canada's heavy expenditure in Europe although this appears to be unnecessary?

Mr. Speaker: Order, please. I suggest to the hon. member with respect that his question is argumentative.

Mr. Hellyer: May I just assure my hon. friend that—

Mr. Speaker: Order, please.

Mr. Churchill: There is a difference of opinion there, Mr. Speaker.

[*Later:*]

Mr. Churchill: Mr. Speaker, I have a question for the Acting Prime Minister. Is the minister of external affairs insisting on the retention of two extra Canadian air bases in Europe when they have to be moved from France, and does he realize that this is perhaps an unnecessary expenditure under the circumstances?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend has been reading the same article that I myself saw yesterday in the *Globe and Mail.* Of course my hon. friend knows that government policy is not disclosed until it has been formulated.

Mr. Churchill: When will the government's policy be formulated; because the movement of these air bases has to be made very soon?

Mr. Martin (Essex East): My hon. friend's question gives me an opportunity to say to the hon. member for Winnipeg South that no such resolution has been received either in the Prime Minister's office or in mine.

INDUSTRY

SAINT JOHN-HALIFAX—REQUEST FOR INCLUSION IN AREA INCENTIVE PLAN

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I wish to address my question to the Minister of Industry concerning the recent appeal for proposals from New Brunswick to the Atlantic Development Board. Will the minister refer the matter of the exclusion of Saint John and Halifax from the incentive program to the board, which action would be under the minister's jurisdiction and which has been intimated by the government for some time?

Hon. C. M. Drury (Minister of Industry): A number of premises are postulated in that question with which I cannot agree.

Mr. Bell (Saint John-Albert): Since the minister has lost his only two supporters in New Brunswick for his proposal, the premier of that province and the mayor of Saint John, will he act on it this summer?

Mr. Speaker: Order, please.

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to put a supplementary question to the Minister of Industry. The area development incentive program has stimulated tremendous interest in the establishment of fish processing firms in Nova Scotia which may well be essential to the full development of the potential of that industry. In view of this fact will the minister indicate whether there is any truth in the rumour that the federal government is considering the complete elimination of the incentive program?

Mr. Speaker: Order, please. This question is on general policy, and cannot be asked at this time.

TRADE

DEBATE ON PROTOCOL TO CARIBBEAN CONFERENCE AGREEMENT

On the orders of the day:

Mr. Robert McCleave (Halifax): My question is addressed to the Acting Prime Minister. Because of protests over the shipping provisions of the Canada-Commonwealth Caribbean conference agreement, when can we expect a debate on the protocol in this house?

Hon. Paul Martin (Acting Prime Minister): I will give consideration to that matter and answer the hon. gentleman later.

NORTHERN AFFAIRS

CAMBRIDGE BAY—INQUIRY AS TO SCHOOL-HOSTEL COMPLEX

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of Northern Affairs and National Resources, but in his

absence perhaps the parliamentary secretary could take the question as notice. Have tenders been issued for a $5 million school-hostel complex at Cambridge Bay? If so, how does this square with the policy of having smaller school units to avoid the disruption of families, which has been causing such serious social problems in the north?

Mr. Speaker: Order. This question should be placed on the order paper.

Mr. Dinsdale: With deference, Mr. Speaker, the house is expecting to adjourn shortly, and I hardly think there would be an opportunity for a reply to a question placed on the order paper. I would appreciate it if the parliamentary secretary could take the question as notice and have a reply at a later time.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Northern Affairs and National Resources): I shall be pleased to take the question as notice and bring it to the attention of the minister upon his arrival in Ottawa tonight.

[*Translation*]

IMMIGRATION

REQUEST FOR EXTENSION OF CUT-OFF DATE

On the orders of the day:

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to put a question to the Minister of Citizenship and Immigration.

Is the minister now in a position to tell us whether he has considered the possibility of extending the July 25 deadline with regard to the application of the special regulations he announced on Friday, July 8?

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, since yesterday I have received many representations asking me to extend the deadline set in the statement I made in the house concerning immigrant visitors. I am ready to consider the requests submitted, and within a few days I may be in a position to indicate whether we shall extend or maintain this deadline.

[*English*]

NATIONAL DEFENCE

ALBERNI, B.C.—REQUEST FOR SALE OF PROPERTY

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Industry whether, since the federal government has sold Sunnybrook hospital to the University of Toronto for one dollar, the government will consider taking like action and selling much less valuable former national defence property in Alberni for a like amount.

Mr. Speaker: Order. The question should be placed on the order paper perhaps in a more clear way.

Mr. Barnett: Ten o'clock, Mr. Speaker.

ADMINISTRATION OF JUSTICE

SPENCE ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Acting Prime Minister. Can he inform the house if he has any knowledge as to whether the report of the Spence commission is ready for publication?

Hon. Paul Martin (Acting Prime Minister): I really do not know; I shall have to make inquiries.

Mr. Winkler: I wonder if the minister could tell us whether we might expect it next week.

Mr. Martin (Essex East): I really do not know.

HEALTH AND WELFARE

MEDICARE—BASIS OF PAYMENTS TO PROVINCES

On the orders of the day:

Hon. A. J. MacEachen (Minister of National Health and Welfare): Yesterday the hon. member for Kamloops asked me if I would reply to starred question No. 1,710, which reads as follows:

> Is it the intention of the government to pay to provinces which decline to accept the federal medicare plan, the fiscal equivalent of the payments thus forgone from the federal treasury on the same basis as the arrangement generally known as "opting out" approved in negotiations with the province of Quebec in recent years?

In reply to the question I wish to state there is no provision for federal contributions to provinces which do not have medical care plans which conform to the four criteria.

In regard to the hon. member's reference to "opting out arrangements", I should note that these apply only in respect of shared cost programs where an agreement between the two governments exists. The medical care

legislation will not require agreements between the federal and provincial governments; it will simply authorize payments from the consolidated revenue fund to any province which has a medical care plan as described in the federal legislation.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I did not quite understand the meaning of the minister's statement. If the province of Quebec should decide to set up its own medicare plan, can the minister tell whether it will be entitled at the same time to a financial compensation, as in the case of other joint programs of which it chose to opt out?

[*English*]

Mr. MacEachen: This is not contemplated in the proposal made by the federal government, which has been well known for some months.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

Can the Minister of National Health and Welfare tell us whether he intends to look also into this proposal and to see to it that a financial compensation is granted to the province as in other fields?

[*English*]

Mr. MacEachen: Mr. Speaker, there is no opting out arrangement contemplated under this proposal. It is rather a question of opting in on the part of the provinces for federal contributions toward plans which meet the four criteria.

GRAIN

REQUEST FOR INCREASE IN QUOTAS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Finance. It arises out of the fact that many farmers on the prairies have a great deal of wheat in their granaries. Will the minister report now as to whether, between now and July 30, there will be an increase in quotas so that farm storage may be reduced to the greatest possible extent? I am sure the minister is now in a position to answer this question, because the other day he stated he had been in communication with the wheat board.

Hon. Mitchell Sharp (Minister of Finance): I was in communication with the chairman of the Canadian Wheat Board yesterday, Mr. Speaker, and he told me that the objective of the Canadian Wheat Board is a general quota of ten bushels per acre, which he hoped would be in force at all points. If in fact there were a few points which were not on the ten bushel quota, they would be very few indeed. It will be the policy of the Canadian Wheat Board to facilitate the movement of Canadian wheat, and whatever measures are necessary to attain that end will be followed. I say this because it may be necessary in the coming crop year to vary policies that have been followed in the past.

Mr. Diefenbaker: I want to thank the minister for that statement. In view of the fact that we are approaching the end of this portion of the session, and all western farmers naturally are most interested in this subject, can the minister give the house and the country a general idea of some of the changes that will be necessary, as he envisages the situation now, to permit the filling of the very large contracts for wheat that have been undertaken?

Mr. Sharp: I doubt whether it would be possible to do this before the house adjourns. I can only repeat that the wheat board is now considering the changed situation that has arisen out of the fact that there is, for as far ahead as we can see, a very strong demand for Canadian wheat. It will be most important that wheat always be available to meet this demand, so the wheat board would not want to permit a quota system, which was introduced under very different circumstances, to interfere with the fulfilment of these contracts.

I should like to go further at this time, Mr. Speaker, but I do not think it will be possible. However, I am sure the Canadian Wheat Board, whether or not parliament is in session, will give as much information as possible to the farmers of western Canada for their guidance.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question regarding the minister's statement that there may be some delivery points that will not reach the ten bushel quota. Will the wheat board give any consideration to taking this into account in setting the quota for those delivery points in the next crop year, if they were not able to reach the ten bushel quota this year?

Mr. Sharp: This subject is invariably considered by the board at the end of every crop

year during which there has been any suggestion of unfairness in quotas. The decision has always been not to cause overlapping between two crop years. Therefore I have to answer the question in this way, that the wheat board would not take a shortfall in quotas in this crop year into account in fixing quotas for the coming crop year. This has never been done, and I doubt very much whether it would be done this year. However, circumstances are changing so rapidly in the demand and supply situation for wheat that I suggest to the hon. gentleman he should wait until we see what conditions are like at the opening of the crop year, when his question may be quite irrelevant.

Mr. Douglas: A supplementary question, Mr. Speaker. I would ask the minister whether the wheat board would give consideration to giving those points that did not reach the ten bushel quota a higher priority for the coming year, if it is not prepared to give them compensation in the form of a higher delivery quota.

Mr. Sharp: The Canadian Wheat Board of course makes the decisions in these matters and will, I am sure, take into account the views of the hon. gentleman.

Mr. Jack McIntosh (Swift Current-Maple Creek): I rise on a point of order, Mr. Speaker. Yesterday, when I asked a question similar to that now asked, you ruled that it was hypothetical. If it was hypothetical when I asked it, should it not be hypothetical when some other member asks it?

Mr. Speaker: Perhaps the question has become more urgent since yesterday.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Now that the minister has gone as far as he has, would the house be right in coming to the conclusion that the tremendous demand for wheat will mean that the quota system is going to be set aside?

Mr. Sharp: I do not think I should like to go that far, Mr. Speaker. Some changes in the administration of the quota system may be required.

Mr. Speaker: Order, please. The question period has now expired.

[Mr. Sharp.]

HEALTH AND WELFARE

AUTHORIZATION OF CONTRIBUTIONS TOWARD COST OF INSURED MEDICAL CARE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

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

Mr. MacEachen: Mr. Chairman, it is a privilege for me to sponsor this resolution and to begin debate on a program which, if approved, will enable the government of Canada to provide financial support to provincially administered medical care plans.

I would point out that this program is the fourth major step in the health insurance plan initiated some years ago by my colleague who now holds the position of Secretary of State for External Affairs. The other three are the health grants program, hospital insurance, and the establishment of the health resources fund.

In 1948, when the health grants were being discussed in this house, the then prime minister described them as being fundamental prerequisites of a nation-wide system of health insurance. The second phase, which was also piloted by my colleague now the Secretary of State for External Affairs through the legislative procedures in the spring of 1957, culminated in the hospital insurance program which provides benefits to virtually the whole population of our country. Members, of course will be familiar with the health resources fund, which was only recently approved by this parliament.

I am proud, Mr. Chairman, to be the pilot of this new measure, which will extend the benefits now available beyond the doors of the hospital, ensuring the availability of physicians' services whether these be provided in the doctor's office or in the patient's home. As hon. members know, the federal government has for some years been examining ways and means of ensuring that the opportunity for good health which is now viewed in western democracies as a right possessed by all should be available to every citizen of our country.

This effort springs not only from a deepening of our humanitarian concern for our fellow citizens, but from a realization that we

cannot afford the social and economic consequences of our failure to do so. In an industrial country such as ours we cannot afford the loss to our economy stemming from ill health.

It was these considerations, undoubtedly, which led to the appointment of the royal commission on health services, whose report has been subjected to considerable study by the government. The royal commission on health services, consisting as it did of representative professional personnel, recruited a corp of experts in many health fields and had the assistance of many of the best brains in Canada, to quote the chairman, an eminent Canadian jurist. It was the view of the royal commission on health services that there is an enormous gap between our scientific knowledge and skills on the one hand and our organizational and financial arrangements to apply them to the needs of men, on the other.

The commission described its recommendations as a method of closing this gap. One of its recommendations was partially implemented by the Health Resources Fund Act recently passed by the house. Another essential recommendation was for a comprehensive universal health services program consisting of several phases, one of which is for a universal program of medical services benefits—

Mr. Diefenbaker: Could I interrupt the minister. In view of the fact that the press has available copies of his remarks, would it not be possible for the hon. member for Simcoe East also to have a copy so he could follow the minister's speech?

Mr. MacEachen: Yes, Mr. Chairman, I regret that I have failed to provide copies to my hon. friends.

An hon. Member: That is twice in one week.

Mr. MacEachen: Mr. Chairman, this will be accomplished through the present bill. The basic question, of course, is why do this through a nation-wide, government sponsored medical insurance system.

An hon. Member: Where is that copy?

Mr. MacEachen: The answer is simple. The government of Canada believes that all Canadians should be able to obtain health services of high quality according to their need for such services and irrespective of their ability to pay. And we believe the only practical and effective way of doing this is through a universal, prepaid, government sponsored scheme.

This same conclusion was reached by the royal commission, which spent almost three years examining Canada's health needs and seeking ways to improve and extend health services. The royal commission's recommendation for a universal, prepaid, publicly administered system was endorsed by all its members, including members of the medical, nursing and dental professions and a doctor who had been president of the Canadian Medical Association.

The commission, and the government, recognize the fundamental principle that health is not a privilege tied to the state of one's bank account, but rather a basic right which should be open to all.

Mr. Rynard: On a point of order, Mr. Chairman, I wonder if it is not possible to get a copy of the paper the minister is reading from.

An hon. Member: The press have it.

Mr. Rynard: How can we listen to this long speech and comment on it afterward if we have not got the paper the minister is holding in his hand? It is ridiculous. This sort of thing has been done over and over again.

Mr. MacEachen: I regret that I did not make copies available to my hon. friends. It was an oversight, and my parliamentary secretary is seeking to obtain copies. Frankly, I do not know how the hon. gentleman can profit more from reading the speech than from listening.

Mr. Douglas: Is there not any remedy for those who cannot do either?

Mr. Knowles: What about the rule against the reading of speeches?

Mr. MacEachen: Mr. Chairman, I think we recognize, too, that while an individual's health is a highly personal affair in many respects, his or her good health is of direct benefit to the wider community.

• (3:30 p.m.)

These are the fundamental points which I believe every Canadian can and does support. The question is how best we can assure that this goal is met. The federal government's proposal, as hon. members know, is to offer the provinces a sizeable sum of money to support provincial medical care insurance programs which meet certain established standards.

We have taken this approach because we recognized that under our constitution health is a provincial responsibility and, because of this, federal initiative in this field is limited to encouraging provincial action. This is an important point, but one which I am afraid has been lost sight of in some of the debates on this subject.

It would be much simpler and, to some, more attractive to shunt these considerations aside and promise broad and direct federal action in this field. But in practice this would amount to little more than an exercise in futility, for it would mean making federal promises that are not within the federal power to keep.

It may be a matter of interest to members to note the manner in which changing times and conditions are reflected in the varying methods by which federal assistance has been made to provincial programs in the unfolding of our health insurance plan. When the health grants were introduced in 1948, many provincial governments were financially hard-pressed and because of this condition, but at the same time respecting the constitutional position, the federal government set up a series of health grants only some of which required the matching of the funds by a province. Thus, for many years in certain areas, the federal government has been providing through some of the health grants payments in full for projects designed and administered by the provincial governments.

By the time the hospital insurance program was introduced, federal sharing had become the usual means through which the government of Canada made contributions toward programs which clearly fell within provincial jurisdiction. Thus, the hospital insurance program became a conditional grants program under which the federal government began providing very considerable sums of money, but only with respect to shareable items of expenditure approved by the provincial governments.

The present phase of health insurance comes at a time when the conditional grants technique is undergoing some rethinking. Hence, it would not be in conformity with this policy to bring in a measure designed along the lines of existing conditional grant programs.

Mr. Hees: On a point of order. I wonder whether the minister would send his parliamentary secretary to the press gallery to see whether there is an extra copy of his speech available. Every member of the press gallery has a copy and I am sure there must be an extra copy left over. As a courtesy, could not one be given to the opposition critic, who still has no copy?

Mr. Grafftey: It is a matter of courtesy. We shall read it; you make the speech. Is that a deal?

Mr. MacEachen: There is no valid point of order.

Mr. Grafftey: Modern methods include courtesy.

Mr. MacEachen: I have said twice that whatever copies are available will be made available to hon. members. In the meantime, if hon. gentlemen opposite will bear with me I will seek to place copies at their disposal. I do not think there is any point in making an issue of this matter. Maybe I have a copy here for the hon. member. Here is one.

Mr. Rynard: On the point of order, I have just received one from the press. Thank you very much.

An hon. Member: That was well staged.

Mr. Ricard: Well staged? We asked five or six times before you did anything.

Mr. MacEachen: The resolution under consideration does not envisage a plan designed along the lines of existing grant programs but employs another avenue through which federal support will be provided. I shall discuss this further later in my remarks.

I have mentioned that there is no question at this time as to the role allocated to the provinces under our constitution in the health field. This role is a predominant one, and provincial governments individually will devise programs, as some have in fact already done, which undoubtedly will differ from province to province, as existing programs already do.

At the same time not all of the provinces have the same fiscal capability of providing such programs or of meeting the costs of programs designed for all residents. Thus, although Canada is one country a Canadian resident of one province may be at a distinct disadvantage when compared with a Canadian resident of another province.

Of even greater national concern is the disadvantage which may be suffered by a Canadian who, having resided in one province, moves to another province only to find that his position is the same as it might have

been had he moved to a point beyond his own national boundaries. Clearly these are considerations which give rise to certain federal responsibilities in the health and welfare fields.

Thus while it is the policy of this government to redefine its role in so far as conditional grant programs are concerned, it may not abrogate its obligation to ensure the national character of our country by establishing an acceptable level of services available to all citizens. It is proposed, therefore, that with the full co-operation of the provinces the federal government will support medical care programs which meet the four basic principles which the government of Canada believes will serve the national interest.

The first of these principles involves the scope of benefits which it is considered should be made available as a minimum, regardless of any other benefits a province may wish to include as well. It is considered that the medical care program should offer all of the services provided by physicians.

This would mean that the services of general practitioners and specialists would be insured services, regardless of where these services were made available. Whether the insured person is seen by the physician in the doctor's office, in the hospital, in a nursing home, or in a private home belonging to the insured person or to anyone else, the benefits of the medical care plan should be available.

Provincial governments, may of course, wish to expand the provincial programs so as to include additional benefits; there is nothing in the federal plan to deter them from doing so. We have assured the provincial governments that as soon as there is a consensus on the timing of further benefits to be provided over and above physicians' services, the federal government would consider enlarging appropriately and in due course the scope of benefits to which it would be prepared to contribute. As a first phase, however, the present resolution contemplates only the provision of physicians' services.

The second principle which is considered to be essential if the federal government is to make substantial financial contributions is that of coverage. In discussions with the provinces the matter of universal coverage, which we feel to be essential, has been examined carefully and closely. We have explained to the provinces that the principle of universal coverage should not be confused with compulsory coverage.

It is a fact that if a province chooses to finance its share of the costs by levying a premium, then and only then would the question of compulsion arise. It would be the decision of a province whether premiums would be compulsory in the sense that taxes are compulsory. Certainly this measure does not contemplate compulsion on individual doctors to join a plan; nor would there be any compulsion on individual persons to use the services provided under the plan.

I do not wish to appear to be splitting hairs, but it would seem to me that certain adverse comments which have been made on the question of compulsion give the impression that doctors would be required to treat patients they do not wish to treat and that individuals would be required to accept benefits under a program which they did not wish to accept. At the risk of repeating myself on this point, I should like categorically to state that neither of these two circumstances would be involved in the principle of universal coverage in the context of medical care.

• (3:40 p.m.)

Members might be interested in an assessment of the experience which has been gained in this regard under the various provincial hospital insurance plans. It will be recalled that under that program insured services were also required to be made available on equal terms and conditions to all residents. Universal coverage was automatically achieved in those provinces which chose to finance their share of the costs out of the general revenues of the province, or by means of a sales tax, or by a combination of these methods with or without an authorized charge for which provision was made in the legislation.

In these provinces persons who are residents become entitled to services by virtue of such status. Universality if achieved without compulsion of any sort except the compulsion to pay provincial taxes, which we all must pay.

However, when the hospital insurance program began five provinces chose to finance their share of costs by means of a premium. This entailed the registration of individuals and the payment of the premium fixed by provincial legislation. Within a relatively short time two of these provinces abandoned the premium system of financing and achieved universal coverage automatically by adopting a non-premium system. Of the remaining three provinces which still use the

premium system, only two have made it compulsory under provincial law for all residents to be covered—

Mr. Diefenbaker: What are those two provinces?

Mr. MacEachen: I believe they are British Columbia and Alberta, and the third province would be Ontario. I am speaking according to memory. The third province has maintained an element of voluntary enrolment. Nevertheless, the extent of coverage under hospital insurance at the present time in all provinces, including the province with a partial voluntary element, is now over 99 per cent of the eligible population.

I have explained this situation in some detail because I am anxious to illustrate my initial point, that universal coverage does not necessarily mean compulsory coverage.

In my discussions with the provinces as to what percentage of coverage the federal government will be prepared to view as universal, if a premium system of financing were adopted, I have agreed that for the initial period coverage of 90 per cent would be acceptable. It would be expected, of course, that this would rise to 95 per cent over a period of time.

Hon. members may ask why the federal government considers the principle of universal coverage to be so important. I believe that if the considerable expenditures which will have to be made to provincial programs are to be justified, then the federal government must have the assurance that as many people as possible will benefit. That is the case for the federal parliament. From the national point of view it is also essential to ensure that there is no differentiation in coverage between the residents of one province and another if federal funds are to be provided.

Before I leave the question of universal coverage I should like to draw the attention of hon. members to the report of the Royal Commission on Health Services and to studies made for that commission. All of these reached the same conclusion on the need for universality.

The third principle which the federal government considers to be essential is that of public administration. It is obvious that when the federal government makes substantial financial contributions available to the provinces, a provincial government must be capable of taking full responsibility for the use to which these contributions are put. The provincial plans should be non-profit and subjected to public audit, and the administrators of the plan should be answerable to the public through the provincial legislature.

Once more I would like to point to the experience we have had in hospital insurance, which is as relevant to public administration as to universal coverage. Hospital insurance programs, without exception, are administered by the provincial governments, either directly by departments of health or, alternatively, by commissions established by provincial governments specifically for this purpose. I believe I am correct in saying that there is no jurisdiction in this country which has had reason to regret this method of administration.

The last principle which it is considered essential to incorporate in provincial medical care plans relates to transferability or, if you like, portability. This simply means that when a resident of one province moves to another province his entitlement to benefits will continue long enough for him to become entitled to benefits in the new province.

The Chairman: Order. I apologize for interrupting the minister but the time allotted to him has expired.

Some hon. Members: Let him continue.

The Chairman: Does the minister request extra time to complete his remarks?

Mr. MacEachen: Yes, I do.

The Chairman: Does the committee give unanimous consent?

Some hon. Members: Agreed.

Mr. MacEachen: As I pointed out earlier, residents of provinces are also residents of Canada. It is essential, therefore, that the federal government ensures that mobility of the population between provinces does not place any resident in the same position as would apply if he moved to another country. This is particularly relevant when the federal government contributes to the cost of provincial programs.

Where provinces bring in medical care programs meeting these principles then the federal government, under the proposed bill, would accept fiscal responsibility for a contribution equal to one half of the present per capita cost of insured services in those provinces participating in the plan. Insured services, of course, mean medically necessary services provided by medical practitioners. If such a program were to be provided in all provinces next year, it is estimated that the cost to the federal treasury for a full year would be $340 million.

It has been estimated that approximately $600 million would be spent next year on physicians' services if no change were made in the present methods of providing these services. I would ask hon. members, therefore, to compare the estimates on which we are basing public expenditures for public programs covering the whole population if these go into effect next year, namely, a total of $680 million including the provincial share of half the costs. Thus, by redistributing the estimated $600 million and adding another $80 million, all residents of all the provinces of Canada will have physicians' services available to them. These are estimates and these comments are for illustration purposes.

Members of the committee may be interested in knowing that some 6 million Canadians still lack any medical insurance coverage, and 3 million more have only limited coverage. Probably not more than 10 million Canadians at the present time have what could be called adequate comprehensive coverage. Those without adequate coverage include primarily residents of rural areas and people with moderate or low incomes, unable to acquire low-cost group insurance. I might mention that these figures do not include those who will benefit from the health provisions set out in the Canada Assistance Plan.

These, then, and the financial proposal are the principles which have been discussed with the provinces. The response from the provinces has, I must say, been most encouraging. Some provinces have already indicated their readiness to proceed by our target date of July 1, 1967. Others have not been in a position to commit themselves, although some of these pointed out that they would be able to change existing plans to meet the principles described above. I should like to state that no province has stated that it will definitely not participate although, as hon. members are undoubtedly aware, the premier of Alberta has expressed criticism of the proposal.

• (3:50 p.m.)

The introduction of this resolution, Mr. Chairman, I believe marks an historic day for this parliament and for Canada. The program it spells out goes a long way toward closing the gap in our over-all social security system. It is our hope it will result in the commencement of provincial medical care plans covering all Canadians on the 100th birthday of Confederation, July 1, 1967. This would be a most appropriate way to mark our birthday, since it would ensure ready access to medical care to all of our people, regardless of means, of pre-existing conditions, of age, or other circumstances which may have barred such access in the past.

At some time in each of our lives such care is necessary, if only to avoid the pitfalls of ill health. An investment in health is an investment in human resources. Only strong human resources can fulfil the promise offered to us by the other resources of our great country.

In concluding and in thanking the members of the committee for allowing me additional time, I should like to say I am confident that this measure will receive the constructive and conscientious attention of the committee and receive approval at a later hour this day.

Mr. Douglas: Mr. Chairman, before the minister sits down, might I ask him whether it is his intention and the intention of the government to proceed with the legislation after the house has passed this resolution?

Mr. MacEachen: Mr. Chairman, I am not in a position to indicate what the situation will be or at what stage we will terminate, but I should like to have second reading of this bill today if possible or before the summer adjournment. That is not a commitment on the part of the government; it is what I should like to see.

Mr. Haidasz: Mr. Chairman, may I ask the minister whether this bill will be placed before the House of Commons committee on health and welfare for further study; and can the minister say today also, whether, in view of the federal contribution of 50 per cent of the cost of provincially sponsored health plans, the premiums of provincial health plans will be cut by 50 per cent?

Mr. MacEachen: Mr. Chairman, I appreciate the importance of both these questions. When members of the committee have had an opportunity to examine the clauses in the bill I believe they will come to the conclusion that committee study, other than study in committee of the whole, may not be necessary in respect of this bill, because the bill itself merely embodies the principles about which I have been talking for the past half hour.

Mr. Knowles: They have been studied for nearly 50 years.

Mr. MacEachen: It is, I believe, true to say that the main negotiations with regard to individual plans will occur between provincial governments and members of the medical

profession and others on a provincial basis. It would seem to me that committee study in these jurisdictions would be more appropriate.

In answer to the second question, the federal government proposes to pay half the per capita cost of providing insured services in the participating provinces. It will not be the intention to pay half the cost of premiums, which would be a double form of assistance.

Mr. Kindt: Mr. Chairman, may I ask the minister two questions? The first has to do with choice and rights between patient and doctor, in other words, the right of the patient to choose his own doctor and the right of a doctor to refuse a patient. I think that first question should be answered and amplified.

An hon. Member: Get a horn.

Mr. MacEachen: Mr. Chairman, there will be no interference under the terms of this bill with the freedom of a doctor to practise medicine inside or outside the plan. They have freedom in that regard, and a patient will of course be free to choose his own doctor. There will be no compulsion on either hand.

The Leader of the Opposition asked a question and I should like to tell him I was almost totally wrong in my answer. The provinces which have the premium system are Saskatchewan, Manitoba and Ontario. I was right so far as Ontario is concerned.

Mr. Kindt: My second question has to do with portability. It was made clear by the minister that a person moving between one province and another would have medical services. Does that same situation apply if he moves to a foreign country temporarily or permanently? In the plan which is now envisaged what is the position of the government with regard to a person who may be travelling in a foreign country? Second, what would the position be if he is going to live there temporarily?

Mr. MacEachen: On the particular aspect of reciprocal arrangements with other countries, I should like to wait until we have an opportunity to have the bill before members before discussing this point which is important but which is not a principle so far as the resolution stage is concerned.

Mr. Kindt: Mr. Chairman—

The Chairman: Order, please. The Chair hesitates to interrupt to rule the questions which have been asked out of order, but I think I should remind the committee of a citation from May's seventeenth edition, page 798:

> Debate in committee on a financial resolution is confined to the terms of the resolution itself and must not be extended to the related bill.

It is the opinion of the Chair that many of the questions being asked might be asked more properly when the bill is before the house in committee of the whole.

Mr. Kindt: Mr. Chairman, in furtherance of my question, we are at the resolution stage and, while I respect the statement made by the Chair, it is most important to have answers to these questions. Surely the minister is in a position to tell us whether those who travel abroad, as many of us from time to time have to do, will have to carry with them excess money for medical services.

Mr. Deachman: On a point of order—

Mr. Kindt: I want to know the answer to this before we get away from the resolution stage.

Mr. Deachman: On a point of order—

The Chairman: Order. There is already a point of order.

Mr. Kindt: Mr. Chairman, I should like the minister to answer my question. He said there would be an absolutely free choice between patient and doctor. That satisfies me. Now I am asking a second question concerning whether or not the plan applies when persons travel abroad. Suppose a person went to England. Would he be covered under the plan?

Mr. MacEachen: Mr. Chairman, I think the fact that I answered the first question shows how dangerous it is to attempt to deal with these details at the resolution stage. It is obvious that a person having membership in a Canadian medical care plan or rather a provincial medical care plan could only have benefits in another country if reciprocal arrangements were worked out with that country. At present, for example, under the Canada Pension Plan such an effort is being made right now. We announced yesterday that a committee of officials was working with the United States government to reach some reciprocal arrangement. There is nothing in any Canadian bill which could determine such an arrangement except through an agreement with another country.

• (4:00 p.m.)

Mr. Monteith: I do not wish to interject at this stage, Mr. Chairman, because I feel that speeches should follow the normal course, but is it not true in respect of hospital insurance that if someone is taken ill in Michigan or New York state, for example, part of the hospital bill is paid?

Mr. MacEachen: I think that is the case, yes.

The Chairman: Is the hon. member for Perth asking a question as to what might be contained in the bill?

Mr. Monteith: I will go into the subject at a later time, Mr. Chairman.

The Chairman: If that is what the hon. member is asking I would rule his question out of order.

Mr. Kindt: It seems to me, Mr. Chairman—

The Chairman: Order. Is the hon. member for Macleod rising on a point of order?

Mr. Kindt: Yes, Mr. Chairman.

The Chairman: I recognize the hon. member for Macleod.

Mr. Kindt: Surely the minister, who is now ready to bring in the bill, knows enough about it to satisfy the people of Canada and hon. members whether or not an individual taken ill outside the country is entitled to medical care. Surely the minister can answer that question now before asking us to pass the resolution and move on to the second stage. The minister's attitude makes one believe that he is perpetrating some kind of subterfuge. Why is he bringing in the bill now if he does not know the answers to these obvious questions?

The Chairman: Order, please.

Mr. Rynard: Mr. Chairman, first of all I should like to say that the resolution brought in this afternoon by the minister represents something that all of us would like to see achieved in this country, namely, the best medical care possible for all Canadians. There can be no argument against such an achievement.

It is not my intention to deal in detail with the resolution but I do wish to speak in generalities. The hon. member for Burnaby-Coquitlam was the premier of Saskatchewan when that province adopted hospital insurance. I do not wish to misquote him, but I believe he said that the work load of hospitals and physicians there increased by some 26 per cent following the adoption of that program. As the result of neglect in the training of a sufficient number of doctors we now have an acute shortage in Canada.

The minister has spoken about hospital insurance and I am sure that no one disagrees with the principle involved. In the province of Ontario the federal government pays only 14 per cent of the capital cost of constructing hospitals. Surely the federal government should be paying at least one-third of the capital cost throughout Canada. I suggest that the federal government is abrogating its responsibility in this regard.

Let us look at the tax burden the ordinary individual is carrying under the hospitalization plan. I should like to quote briefly at this point from a press release of the Ontario Hospital Association dated February 18, 1966 regarding a brief submitted to the provincial government. It states in part:

> The brief's strongest comments are reserved for the federal government, which has not increased its basic $2,000 per bed grant since 1958—

Let me remind the minister that the grant in 1957 was $1,000 per bed and that we doubled it when we were in power. This release states that the federal government has not increased its $2,000 per bed grant since 1958 in spite of the fact that costs have multiplied many times over. If my memory serves me correctly, the cost per hospital bed in 1958 was $5,000. Today this figure runs closer to $30,000. The press release then continues:

> —and makes no contribution at all toward many essential supporting areas such as operating suites, dietary departments, treatment rooms and delivery suites.

The president of the Ontario Hospital Association, Mr. Glen Phelps, had this to say:

> —already some of the figures in the brief might be out of date.

I place part of the blame in this regard on provincial governments, and particularly the government of Ontario which should be applying more pressure on the federal government to make it live up to its responsibilities. The press release then states that Mr. Phelps said:

> During the past few weeks . . . we have been hearing of cost estimates for new buildings running closer to $30,000 a bed than $20,000. So the $14,000 we have recommended as the fair share of senior governments would not be enough to cover the desired two-thirds. It also seems fairly clear now that last month's dominion-provincial health

conference offered no encouragement that Ottawa intends to increase its financial contribution—

The federal government has control of direct taxation but pays only a meagre 14 per cent of capital construction costs. Surely there is some hypocrisy in this regard. The municipalities across this country, which already carry a heavy tax burden, are left to pay the highest proportion of the cost of hospital construction.

Let me now deal with the problem created by the shortage of doctors. The hon. member for Burnaby-Coquitlam said in this regard that the work load of doctors and hospitals increased by 26½ per cent following the adoption of hospital insurance. I do not believe that under this medicare plan the work load would increase that much in the province of Ontario. There are over four million people in this province today who are covered by first-class prepaid insurance plans which compare favourably with anything any government could provide. The best authorities I can find indicate that the work load would increase by 15 to 20 per cent.

Let us compare the physician work load in other countries with the work load in this country. We have 21,290 doctors in civilian practice or one for every 960 individuals. The United States, which attracts between 200 and 400 doctors from Canada each year, has one physician for every 740 individuals. This is surely an astounding comparison. The work load of doctors in the United States today is approximately 30 per cent less than the work load in Canada.

Doctors in New Zealand do not experience the same difficulties in relation to travel as doctors in Canada; yet that country has one doctor for every 700 persons.

Mr. Munro: Would the hon. member permit a question?

Mr. Rynard: Certainly.

Mr. Munro: Would the hon. member quote the source of his figures in relation to the ratio of doctors to patients?

Mr. Rynard: If the hon. member wishes to find these figures, let him look at the Canada Year Book or the address of Dr. McCreary, dean of the faculty of medicine at the University of British Columbia and president of the Association of Canadian Medical Colleges. If the hon. member wants the reference I will be very glad to send it to him. I have three or four references here which show that the figures are only out perhaps a few points. I will be very glad to send this document to the hon. member afterwards.

[Mr. Rynard.]

• (4:10 p.m.)

This situation concerns me a great deal because it is quite obvious that Canadian doctors are already carrying a 25 to 35 per cent greater work load than their counterparts in the United States and New Zealand. The doctors in those countries practice at about the same level that we do in Canada. If the government imposes a full medicare plan on these people, what will happen? Medical care will be broken down because a doctor will have less time to spend with his patients. This is obvious when there is more work to do. What happens then? There is only one answer, Mr. Chairman. There will be poor quality work and the practice of medicine will be set back years and years.

My one concern in raising this matter at the resolution stage is: How will we correct this shortage? The Hall Commission report said that we had to add 476 students each year to our present classes. Mr. Chairman, do you realize that this was said in 1964, two years ago? Do you realize that at that time the target date was 1971? This is the equivalent of nine or ten medical schools the size of Queen's University or Western. What is the cost? The nearest I can come to the cost is that Toronto university will add 75 this year to its freshmen year class and they say it will cost them $35 million to do this. There is $250 million right there. By 1970, 7,100 doctors must be added to the profession. This means that we must have 11,860 doctors by that time, so that you have 5,340 left as a minimum after taking out retirements, etc. We are in the same position with regard to dentists and nurses; 35,000 nurses have to be trained and some must receive university training. The Hall Commission report stated that there will be no substantial increase in graduating classes in medicine before 1971.

No move has been made until just recently, and this is 1966. I criticize the government for their lack of action in this regard, and I probably would be right in criticizing some of the universities as they are letting the public down. This report was made in 1964 and the target date was 1971, because it takes seven years to graduate a doctor with the minimal amount of training. It takes 11 years to train a specialist; and if a doctor is to have good, sound training he should spend two years as an intern, so there you have eight years for general practice.

This resolution should be taken step by step so that the plan does not break down completely and so that the minister will have a monument to what he has done rather than something that people will look at and say it is a great pillar of salt. I am really concerned about this situation, which is all the more serious because today in Canada out of every two doctors that graduate one carries on to be a specialist. In this country today 37 per cent of the doctors are certified specialists and 13 per cent are non-certified specialists.

In other words, Mr. Chairman, half the doctors that graduate today specialize, with more crowding into certain fields. We are short of optometrists. There has been a 75 per cent increase in the population but only a 15 per cent increase in optometrists. It takes seven years for a doctor to graduate, and here we are just starting in the fall of 1966. This means it will be 1976 before we will have doctors who have graduated with specialist training, and 1974 for General Practitioners.

There is another problem in this connection, namely, that four of our medical schools now are below par. Four have not enough good teachers or facilities to teach their students properly. I should like to read another article. Somebody might ask where it came from so I will make sure the source is on the record. It is a newspaper article which quotes the Canadian Medical Association Journal. The article says:

> It has been whispered about for a long time. Now it is in the open: one-third of Canada's medical schools, during the last ten years, have been warned that if they don't improve they may lose their North American accreditation. This is a recognized method for judging the quality of medical schools, and loss of accreditation is a sad, bad blow . . .
>
> "The primary fault in the four schools was not with respect to their basic orientation or the quality of existing staff, but rather that they had insufficient staff and resources to meet the needs of modern medicine."

How derelict in our duty can we be?

> "If the teachers for the expansion of existing schools and the staffing of new medical schools are recruited from within Canada, a sort of academic musical chairs will occur in which the staffs of existing schools will be rapidly diluted, and, if the bidding is brisk, an unfortunate concentration of the best talent in a few centres may develop."

And it surely will be through lack of facilities.

> The editorial is an urgent appeal for government to heed the warnings and the proposals of the Gundy report on medical education. It refers to the "twilight sleep of lethargy" which enfolds both the public and those in high places. It does not add—although we gladly do—that a government that has pushed its expenditures beyond the $9 billion mark, should find it possible to rectify and reverse the existing starvation of medical science.

This brings me to another point. We are spending $10 million on research. The United States is spending $1,200 million. We have been very derelict in this chamber in this regard. If this medicare plan breaks down and is not handled most carefully a step at a time, there will surely be serious consequences because we have not the background at present to operate such a plan. And who is responsible? This government in particular and other governments are responsible because of their starvation of medical science and education. The article continues:

> Canadians complain endlessly about their abject position vis-à-vis the United States. But they refuse to face the fact that much of it is simply due to failure to spend money where it will do the most good. We are prepared, apparently, to institute medicare at vast expense. We do little to improve medical science and education upon which, obviously, medicare ultimately depends. The amount of money involved is trifling in comparison to the global budget total.

What are we going to do about this situation? Whether we have medicare does not matter so much. The important thing is the care of those people who need medical attention. These are the people we must protect, because we are not providing this medical care at the moment. How are we to get out of this rut? I have already said that we are extremely short of teachers, so short, in fact, that four universities may lose their accreditation. How do we get these teachers? Do we train our graduates in Canada or do we bring back some of our teacher scientists from the United States? We have supplied the United States with 200 to 400 medical graduates a year. Out of our 1963 graduates, 49 per cent moved to the United States. What is the reason for this? The reason is that here they lack opportunity. The United States can count on well over 200 young, energetic Canadian doctors with 40 years of earning power, and this is costing this country a total earning power of over $100 million a year.

• (4:20 p.m.)

An hon. Member: What are your sources?

Mr. Rynard: You asked me that before. I will give them to you later.

It costs the Canadian people $50,000 to educate a doctor in this country. I was amazed at this figure because the last figure I saw was back in 1959 at which time I think it cost $25,000. This is a good illustration of what it is costing Canada to train a doctor

these days. It costs $100,000 to train these young doctors to become teachers. The loss of our medical graduates is a tremendous economic drain on our country. It also makes it very difficult to maintain the quality of our medical services and to man our universities with good teachers. The loss of our teacher scientists over the last few years has indeed been calamitous.

The minister made a statement which amazed me. He said, if I heard him correctly, that doctors did not have to visit their patients. Where would they send them? I wonder whether the minister knows that there are many hospitals in Canada operating without interns. I know of one such hospital, the name of which I will give to the minister if he wishes, that only has a third of the interns it should have and one of the interns has been brought here from abroad. I wonder whether the minister knows that, at one of our university centres in the province of Ontario, out of 11 graduates who were to practice as interns in that hospital eight have gone to the United States. Why do they go? They go because of the greater opportunities, higher salaries, more independence and more incentives available there. We can keep our teacher scientists here by setting up research centres. Instead of spending $12 million on such facilities we should be spending $100 million. This is the way to keep these people. We have to give them equipment and greater opportunities.

The Deputy Chairman: Order, please. May I point out to the hon. member that his time is up. Is it agreed that the hon. member for Simcoe East may continue his speech?

Some hon. Members: Agreed.

Mr. Rynard: I will not take up much more time, Mr. Chairman. There are just a few more facts I wish to present. Only 2 per cent of our medical graduates will become teachers and only 0.5 per cent will become scientific researchers. This means we will have to get the teachers from somewhere if we are to man our medical schools and if we are to follow the recommendations of the Hall Commission. First we must train students, then doctors, then teachers and finally scientists.

Let me say, Mr. Chairman, that building palaces with fine laboratories is of no value if we do not have teachers, teacher scientists and pure scientists. For the past 15 years one-third of our doctors per year have been coming from Great Britain. In one year up to 600 doctors came from Great Britain. I knew the figure was high but I was amazed to see how high it was. I think it was in the year 1964 that three-quarters of all the graduates of British universities emigrated, and today 50 per cent of the interns in some of their hospitals come from outside of Great Britain. A great many of them come from Africa and Asia.

Mr. MacEachen: Will the hon. member permit a question? Why does he think the British doctors are coming to Canada and Canadian doctors are going to the U.S.? Has he any over-all explanation for this movement on the part of the members of the medical profession?

Mr. Rynard: I think the reasons for the movement of these doctors are better working conditions and the incentive of better pay. If the minister would look at the records he would find out that the average doctor in England looks after approximately 2,000 patients. I had the privilege of visiting the office of one of those doctors. There were chairs lined up along the walls of his office with many patients waiting. There must have been 20 or 25 people in that room. That doctor could not have possibly spent more than two or three minutes with each patient.

Mr. Alkenbrack: Was that under the medical plan in England?

Mr. Rynard: That was a few years back under the national health plan. In Orillia, whence I come, there are three doctors from Great Britain. Two are surgeons and one is a general practitioner. They have told me very definitely that their reason for leaving England was overwork and the fact that they were being regimented under politics. One doctor, whom I referred to earlier, was a very nice chap and he told me that he was being over-worked, as anybody with a work load of 2,000 or more patients must be.

The afternoon I saw him he referred one or two of his patients to the local hospital but he did not know when they would be admitted. He said it might be in two or three months time. I pointed out to him that one of his patients might be in a serious condition. He told me he had seen him on three or four previous occasions but the patient had not improved with the treatment that had been given him. The doctor did not follow his patient to the hospital. He was sent to an entirely new doctor who had never seen him

before and might not care to perform the surgery. This is the reason for the dissatisfaction of the doctors. To return to the case of this patient, he might, three months following his dismissal from the hospital, return to the doctor for a check-up but the doctor might not even have his history because of lack of time and facilities.

The immigration of foreign doctors has developed in us a lazy attitude in the last 15 years. We have been derelict in our duty to the Canadian people and the government has been derelict in its duty. I want to put that on the record.

• (4:30 p.m.)

Mr. MacEachen: My hon. friend is suggesting that it is costing the Canadian society $50,000 a year to train a doctor and $100,000 to train a teacher or scientist. What is his conclusion from the movement of Canadian doctors to the United States, a movement which is quite unrelated to the medical care program we are now discussing? What steps should we take aside from medical care, which is quite unrelated?

Mr. Rynard: I assume the minister did not hear me. What I said was that there should be an incentive given to these people to remain in Canada. It could be a research work or tax incentive for a few years. Doctors in the United States pay less taxes and get more salary, than doctors do here. I guess the minister missed that part of my speech, but I do believe I alluded to it. If I did not, I intended to.

I should like to refer to what Dr. T. W. Gorman, former President of the Nova Scotia Medical Society, said with respect to this problem. He comes from the minister's own area and he said the problem was serious. He recommended that the length of the medical course be reduced. He pointed out that the profession and the medical schools had a responsibility to supply quantity and quality and suggested a shorter medical course. Dr. Gorman suggested that area of eastern Canada was going to be very short of doctors. The minister must be well aware of these facts. We are short of trained doctors, short of teachers and scientists. The Hall Commission recognized there would be such a shortage up to 1971, but now that we are implementing a health plan the shortage will be accentuated by 1971. The minister has had ample time to introduce this plan; yet we are about two years behind schedule. I should like to quote from page 14, volume I of the Hall Commission report:

> We recognize, of course, that this whole program cannot be put into effect immediately or simultaneously in all provinces. We do not foresee the program coming forth full-grown but rather as an orderly and well planned series of steps which taken together will in a period of years accomplish our objective.

Mr. MacEachen: The hon. member is not concluding that there is any contradiction between the conclusions of the Hall Commission and the proposal we are making today? What we are doing is completely compatible with their recommendations.

Mr. Rynard: If I understood the minister correctly he intimated that this plan would be effective across Canada. I realize he probably has to consider the wishes of the provinces, but he was estimating this plan would cover 90 per cent of the people. If I am wrong, I want to be corrected. I understood him to say that 90 per cent of the people would be covered next year.

Mr. MacEachen: I am referring to the development of services. This proposal refers to only one aspect of the recommendations made by the Hall Commission, namely, physician's services. They recommended this as one phase, and this is the first phase. Their total recommendations are much broader and more extensive than anything we are doing.

Mr. Rynard: All I can say is that the Hall Commission made its report in 1964 and we are now in 1966. At any rate, medical care will be available. Medical care is available in the province of Ontario and, as I have said, four million people are covered in that province. I should like to congratulate the Ontario Minister of Health for introducing OMSIP because it is a step in the right direction.

As I said a moment ago, I am reserving my decision on this plan until I see the bill. I am wondering if this is the type of step we should be taking. In the province of Ontario we have blind people's allowances, disabled persons' allowances, mothers' allowances, old age assistance, the rehabilitation act, and so on. There is assistance to those on lower incomes. If a family of two have a taxable income of $100 or less, the government pays 50 per cent of their medical expenses. Perhaps this is a better type of plan. I do not know. I noticed that in the last election campaign the present Minister of Trade and Commerce stated on November 4 that the

Liberal party may have to delay the introduction of a national medicare scheme because of the shortage of doctors and nurses. I am having similar thoughts. We may break down the whole system, and this is what worries me.

I noticed an alarming article in *Barron's* of England the other day under the heading, "Cradle to Grave?". The article indicated the British were turning away from socialized medicine. I hope we can avoid the pitfalls that have been evident in the British scheme. The British people have received reasonable care, but there have been many quarrels with doctors and complaints from patients. I am told that in England there are insurance companies that are now insuring people so they can get proper medical care. They would rather be under the care of their family doctor than be pushed around under the national health plan. These are the things I want to see avoided in Canada. I am greatly interested in making sure that we avoid these mistakes. I am sure the minister will feel this plan has to be as nearly right as we can make it. It is human to err, but I hope he will review the whole situation in consultation with the provincial ministers who know the situation in the provinces. I hope the minister will then come to the conclusion that he will proceed cautiously and carefully in light of what the ministers of health advise.

We should remember that today the Canadian people are getting fed up with taxes. They are paying more taxes than ever to the federal government, provincial governments and municipal governments. They are getting fed up, and they do not want any mistakes made in this plan. The reason we are having so many strikes and so much labour trouble is that the people do not have enough money to make ends meet. I say with great sincerity that I am not going to be unduly critical. I hope my criticism has been constructive. I should like to see a plan adopted that will be the best in the world. The minister nods his head but I am not sure, after listening to what he had to say, that he knows what the right thing is. I hope he is right because, personally, I like the minister. We owe it to the Canadian people to see that they get the best type of service possible so that we will make this country great medically. Then we will not lose graduates to the United States but will attract them to remain in Canada and we could have one of the greatest medical centres in the world for post-graduate work.

[Mr. Rynard.]

Mr. Douglas: The Minister of National Health and Welfare was quite right, Mr. Chairman, when he said this is a historic day because it marks another milestone in Canada's long march toward comprehensive health insurance. The legislation which we hope will immediately follow this resolution will be another step in the attainment of a goal for which the Canadian people have been waiting a long time. I do not need to remind members of the day when the first official promise of comprehensive health insurance in Canada appeared in the Liberal party's platform at the convention in August of 1919.

The next time official notice was taken of this question by a Liberal government was in 1945 at the federal-provincial conference on reconstruction when the green book proposals set out a fully delineated health insurance program to be brought into operation in conjunction with the provinces. The other day I came across a copy of the Toronto *Star* for Wednesday, April 21, 1948, with the great, streamer headline, "Health Insurance At Once Said Plan Of Premier King".

• (4:40 p.m.)

In 1948 the people were led to believe that they were to have health insurance. The health grants of 1948 of course were of some assistance. The first real step was taken when legislation was brought down by the Liberal government in 1957 to set up national hospital insurance. Unfortunately that legislation was so restrictive that it was of no benefit to any province unless the majority of the provinces representing the majority of the people of Canada signified their intentions of coming into the plan. Consequently the plan was not established until a Conservative administration removed the restrictive features, and the hospital insurance plan became a reality in 1958.

Then we had the Hall Commission which did a superb piece of work and brought down in June of 1964 what I think is the finest statement on medicare that has ever been published in the English language. That commission recommended immediate action. It asked that within six months of the report being tabled the government convene a federal-provincial conference. The government did convene a conference here in Ottawa on July 19 and 20 of 1965. And on this day, July 12, 1966, we have a resolution preceding the bill which will take the next step in comprehensive health insurance, namely, a measure to provide for medical care for all Canadians in

those provinces where the provincial governments are prepared to co-operate in setting up such a plan.

Before I comment on this program may I say I think we should keep in mind that it is only a step in a long-term program, that even though medical care is being established I think we have been too long in getting to it, and that the plan still leaves a large area of health needs untouched. We shall still have to think in terms of essential and prescribed drugs, dental care, optometric care, and all of the ancillary health services. We must bear in mind that, while the present measure is one of the most important steps, we must be under no illusion that the implementation of the plan to be contained in the legislation coming before us is the end of the road.

I want to commend the minister for the work he has done and which his predecessor did in this field. I am sure that they will get a good deal of criticism from many quarters about the drain on the federal treasury and about the increased costs which can be anticipated. I think the public sometimes lose sight of the fact which the minister pointed out this afternoon, that it is already costing the Canadian people some $600,000 a year for this kind of care and that the cost of medicare is not a new cost. It is simply a redistribution of the cost, so that instead of the burden being placed on the sick, it is distributed over the entire population on a basis that has some relation to ability to pay.

An hon. Member: What about the taxes?

Mr. Douglas: The hon. member says: "What about the taxes?" Well, what about paying doctors' bills? People who pay taxes also pay doctors' bills. Most of us would rather pay taxes when we are well than pay doctors' bills when we are sick.

Some hon. Members: Hear, hear.

Mr. Douglas: The hon. member for Simcoe East made some reference to the fact that in Saskatchewan our experience with hospital insurance was that the load went up some 26 per cent. This is true. It levelled out, however, once we got over the backlog. I do not think that medicare will go up at the same rate; which might be of some comfort to the minister.

Perhaps I could draw his attention to the experience of Saskatchewan. The Thompson committee, which did a great deal of research into this matter before the legislation was introduced in 1961, gave it as their opinion that the plan would probably cost about $25 million annually and that the cost would rise for a while and then level off. The interesting thing is that the plan, which is now in its fourth year, never reached $25 million and in fact has slightly declined lately.

An article that appeared in the Edmonton *Bulletin* on June 15, 1966, had this to say:

> A leader of the 1962 Saskatchewan doctors' strike admitted Tuesday some of his profession's fears about medicare have proved unfounded . . .
>
> Dr. Barootes broke what he called a self-imposed vow of silence. He told his colleagues:—

This was at the Canadian Medical Association Conference:

> "Some of the qualms we have had have been disproved and some of us should revise our thinking. The idea that total medical care results in constantly-mounting costs has been shattered," he said.
>
> The fact is, he said, that the total cost of Saskatchewan medicare dropped last year by $500,000, from $23 million to $22.5 million . . .
>
> He said in an interview later he could not explain why medicare costs have not shot up, as he and other doctors had predicted. He said it may be because Saskatchewan residents have been saturated with medical service—that they now have been treated for all the ailments that, before medicare, went untreated.

This is a courageous statement by Dr. E.W. Barootes, who was chairman of the committee that masterminded the doctors' strike in Saskatchewan. He is a man for whom I have great respect. While I cannot agree with him, I think he is the kind of man who, when he found out that he was wrong, was quite willing to admit that his estimates of the fantastic costs which medicare was supposed to impose upon the people were not well-founded.

Since we have very limited time at this stage of debate I shall confine myself to two questions. One is, what kind of medicare plan are we to get, and the second is, when are we to get it? I am convinced that there is little value in setting up a medicare plan unless it is soundly based. It would be better to postpone the plan than to have a poorly structured plan because once the plan is launched it will take years to undo the damage if it is not soundly based. It is extremely important, therefore, that this plan be on a sound basis.

That sound basis, of course, has been spelled out by the Hall Commission in its very excellent report. It was also spelled out by the Prime Minister in the four basic principles which he set forth as the criteria upon which the medicare plan should be based. I am hopeful that when the legislation

is brought down it will be on all fours with the criteria elucidated by the Prime Minister on July 19 and 20 of last year. These four criteria have already been mentioned by the minister.

The Prime Minister in his address to the federal-provincial conference said that the first principle was that the scope of benefits should be, broadly speaking, all the services provided by physicians, both general practitioners and specialists. He went on to say:

> A complete health plan would include dental treatment, prescribed drugs, and other important services, and there is nothing in the approach we propose to prevent these being included, from the start or later, if this were the general wish.

He also said:

> We regard comprehensive physicians' services as the initial minimum.

In light of that statement about the scope of benefits I was hoping that the measure which the minister was going to bring down would be an open-ended plan that would allow the provinces to proceed as fast as they were ready to do so, and that the plan would not slow the provinces down to the pace of the slowest of the Canadian family.

• (4:50 p.m.)

I noticed that the minister in his statement this afternoon said, if I may quote him, "We have assured the provincial governments that as soon as there is a consensus on the timing of further benefits to be provided over and above physicians' services, the federal government would consider enlarging appropriately, and in due course, the scope of benefits to which it would be prepared to contribute."

I wish to ask the minister why we should have to wait for a consensus. I am certain that had we waited for a consensus in 1957 and 1958 the hospital insurance plan would have been long delayed. I see no reason why this legislation should not be sufficiently flexible to provide that when a province has established physicians' care under the plan—and one province has already done so—it is free to make provision for some other health service. This would be in accordance with the green book proposals of 1945.

The province would have a choice. It could select dental care and might start with dental care for children. It could select optometric care or the provision of certain drugs such as insulin and cortisone, and then move into the field of prescribed drugs. I had hoped for legislation sufficiently flexible to make it possible for a province to move as fast as it could build the necessary administration and find the funds with which to pay its share of the cost.

I am disappointed that the scope of the benefits is to be restricted entirely to physicians services and that the program will not be sufficiently flexible to enable other health benefits to be added as provinces are prepared to make them available. I hope the minister will reconsider this matter and that he will not ask the provinces which are most anxious to proceed to wait for a consensus. This is an attractive modern term which everybody likes to use nowadays. But I think we should be encouraging the provinces which wish to move ahead, not asking them to wait until the more laggard provinces are prepared to catch up with them.

The second principle which the Prime Minister laid down in his address to the federal-provincial conference on July 19 was as follows:

> Second, we would propose that the plan should be universal. That is to say, it should cover all residents in the province on uniform terms and conditions.

The next day, July 20, the Prime Minister spelled out in more detail those basic conditions, and on this matter of universality he said:

> The objective, as we see it, must be universal coverage. I cannot see any basis otherwise for a federal contribution.

He went on to say:

> There is often confusion as to the relation between universality and compulsion. Our purpose is that everyone should qualify for benefits. This involves compulsion in the sense that, if a premium is chosen by a province as part of the method of financing, the premium would be compulsory in the sense that taxes are compulsory. Obviously there is no compulsion on people to use the services, nor any compulsion on the individual doctor to join the plan if the demand for his services is such that he can practice successfully outside it.

He went on to say:

> The "principle of need" which was referred to yesterday rejects the idea of universality on the grounds that, if low-income people are covered, others can afford the premiums under private insurance plans. To us, the weaknesses of this are that (1) it sets up an undesirable distinction according to income levels; and (2) even people with quite high incomes can face medical costs which are just as crippling as ordinary illnesses are for low-income people. Most such people may be covered by private plans, but not all will be. In practice, therefore, no extension of private plans will meet all the needs.

I have put this on record, Mr. Chairman, because I think these words of the Prime Minister should be kept in mind when we come to examining the legislation and the

extent to which the general principles laid down are, in fact, implemented in the statute itself.

The third principle which the Prime Minister enunciated at the federal-provincial conference is as follows:

> Third, I think it will readily be agreed that a federal contribution can properly be made available only to a plan which is publicly administered, either directly by the provincial government or by a provincial non-profit agency.

Elaborating on this the next day, the Prime Minister said:

> A universal plan with a federal contribution must be a plan for which the provincial government takes full responsibility. It is necessarily a replacement of existing plans of other types. The procedures followed by provincial governments in dealing with the transitional arrangements in the case of hospital insurance would seem to have been highly satisfactory and equally applicable in the case of medical insurance. This means that the experience and skills involved in carrying out existing large programs can be transferred to the public program.
>
> Again, as in the case of hospital insurance, there will of course be scope for the continuation of private insurance for services above those provided in the public plan.

I underline the word "above"—not as part of the public plan.

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted for his speech has expired.

Some hon. Members: Go on.

The Deputy Chairman: Is it unanimously agreed that the hon. member for Burnaby-Coquitlam may continue his speech?

Some hon. Members: Agreed.

Mr. Douglas: I thank the committee. I will try not to impose on their patience for too long.

I put that statement by the Prime Minister on record because I have a good deal of concern about what the government's legislation will contain with respect to the principle of public administration. The Prime Minister made a speech in Calgary on October 20, as reported in the Calgary *Albertan* of October 21 last. This is what the article said:

> Provincial governments are free to delegate administration of federally-supported medicare to private agencies, Prime Minister Pearson said yesterday.
>
> He denied opposition charges of a compulsory plan being forced on the provinces.
>
> Coverage should reach a level of about 95 per cent by a target date of two or three years.
>
> Government control should be retained whether the plan is administered by a government department or delegated to a private agency.

• (5:00 p.m.)

It appears to me that that is in complete contradiction to the principle which the Prime Minister laid down in his two statements on July 19 and July 20, 1965, to the federal-provincial conference.

In the *Globe and Mail* of June 30, 1966, I noticed a report of a statement by Dr. Matthew Dymond, the Ontario Minister of Health. I shall not take up the time of the committee by reading it, but he pointed out that the Ontario government plan at the present time covers about 1½ million persons, and if all those covered by doctor sponsored plans and insurance companies were added on, Ontario would have a plan covering over 90 per cent of the people and therefore in his opinion would be eligible to come under the medicare plan which the federal government is proposing.

I think this is a very important point. If the government wants this plan to succeed I believe it must stand by the principle of public administration. The Prime Minister said that this was to be a replacement for private plans and that insurance companies could give additional benefits if they wanted to do so.

The whole question about which we in this party are concerned, and we shall be closely examining the legislation on this point, is whether the medicare plan in some provinces is going to be turned over to private insurance companies and private carriers, because if it is the cost will go up astronomically. This stands to reason because there will be duplication. There will be promotion, there will be advertising, and there will be commissions to be paid to people who go out to sell insurance.

The experience of the Saskatchewan medicare program, which has been in operation since July 1, 1962, is that the administrative costs have been kept down to less than 6 per cent. Less than 6 cents out of every dollar paid by the public for medicare goes for administration whereas, as hon. members know, in private plans this cost can range anywhere from 16 cents to as high as 30 cents and in many cases works out at an average of 23 cents to 27 cents on the dollar.

If this plan is going to give the Canadian people the best possible medicare for the lowest expenditure, in my opinion it has to be publicly administered. It cannot be turned over to private carriers or the Canadian people will find they are paying unduly large

amounts of money for the medicare which they require.

The final point which the Prime Minister outlined in his speech of July 19 was as follows:

—and finally, I think it is important to recognize the mobility of Canadians; each provincial plan should therefore provide full transferability of benefits when people are absent from the province or when they move their homes to another province.

Of course there will be no quarrel with that. That is basic.

In answer to the question put by the hon. member for Macleod, who was worried about what happens when people go overseas, under the medicare plan in Saskatchewan—and I assume most provinces will follow the same practice—the medicare card is acceptable in any country of the world for medical services provided in another country. The bill can either be sent to the Saskatchewan medicare commission or the patient can pay the bill himself and later get reimbursement from the commission.

May I now turn briefly to the other question which is, when will we get medicare? The government has talked about a target date of July 1, 1967, but I have been somewhat concerned about the statement made by the Minister of Finance last November 5 when he said medicare would probably have to be postponed because of the shortage of doctors. I hope the government will not delay.

There is much in what the hon. member for Simcoe East has said about the need for more doctors, the need for medical schools and the need for more medical research. Also he is quite correct when he says that we, the Canadian people, have been derelict for the last 20 years in grappling with this problem. But on the other hand I want to say to the minister that if we delay in setting up medicare until the situation is entirely satisfactory, the plan will never be put into operation.

There is something about human nature whereby we never do things until we have to do them. We work best in a crisis and under pressure, and since the preparatory work has not been done—there has been some done but not sufficient—I would hope the government would go ahead with medicare and that it would cling to its target date of July 1, 1967.

The hon. member for Simcoe East warned the government not to fall into the pitfalls experienced in Great Britain. I think he was somewhat unfair to the British health plan when he spoke about a doctor sending patients to hospitals where some other doctor treated them. That has been the practice in Britain, Germany and other western European countries for a century. They have a totally different medical system. They separate their doctors into physicians and surgeons, and a general practitioner is not allowed to take his patient into a hospital.

The things to which my hon. friend has referred cannot be attributed to the British health plan. If one wants to use quotations, I can say that one day at a luncheon meeting I was addressing in London I sat beside one very senior Conservative cabinet minister who said to me, "I voted against the British health plan, I campaigned against it, but I have to admit now it is the best thing we have ever done on these islands. Even if it cost us twice what it is costing, it would be worth it; our children are healthier and our general level of health is vastly superior to anything it has ever been throughout our history."

Of course the hon. member for Simcoe East is right. There has been congestion. There have been problems and wrinkles to be ironed out, as there will be in the Canadian health plan, but if we wait until we have a perfect setup we will never start.

We in Canada have waited far too long for a step which has already been taken by most of the countries of western Europe, and in fact taken by some of them before the turn of the century. The information I want to get from the minister is whether the government is going to proceed with this legislation. We have had a variety of reports. As late as June 6 the house leader, the Minister of Public Works, said that the medicare bill would be dealt with before the summer recess. More recently he has been talking about only the resolution being passed.

Three times on Sunday the C.B.C. reported that the Prime Minister had indicated he wanted all stages of the medicare legislation passed before a summer recess. I do not know whether that is true. The C.B.C. is sometimes given to managing the news and lately has taken to manufacturing it. This also may have been manufactured, but I want to say to the government that it will make a great mistake if it does not deal with this legislation before we adjourn.

If this legislation is left until the fall some of the provinces may use that as an excuse to

say they have not had sufficient time to prepare the complementary legislation which they must submit to their legislatures. I think any province that is really interested could have its legislation drafted by now or would be in the process of drafting it, but the minister and this house cannot afford to give any province an alibi for not being ready to come into this plan on July 1 next.

• (5:10 p.m.)

I think this matter ought to be dealt with at this session before we recess for a summer adjournment. It may be said that members wish to get back to their constituencies. Certainly, as much as any other member, I would like to get back to my constituency. I may point out to the government that it is not our fault that this legislation was not brought down two or three months ago; it is not our fault that the government has dallied and delayed in bringing this matter to the attention of the house. But now that it is here I suggest we have a duty to the people of Canada and have a debt to posterity to see that this legislation is put on the statute books of Canada before we leave here for a summer holiday. I should like to tell the government that so far as members of this party are concerned we are prepared to stay here and take whatever time is necessary to deal with this legislation.

A while ago a question was asked with regard to whether this legislation would go to the committee on health and welfare. We would point out to the minister that this legislation is the result of a royal commission which spent four years studying this matter and travelling from one end of Canada to the other. In every section of Canada the people were allowed to make representations irrespective of who they were, what their profession was or what their interest was. This matter has been amply studied. Moreover, this legislation is enabling legislation. The real details of the medicare program will be drafted by the provincial legislatures. All this parliament can do is, first, say that the government of Canada will pay half the average per capita cost of providing this service in any province which cares to establish a plan and, second, it can lay down the basic principles upon which that provincial plan must be predicated. This is all this parliament can do. I see no reason why those principles cannot be put into legislation without submitting this matter to a committee. If the provinces wish to submit their legislation to provincial committees to discuss the details of the plan, that is their business.

I do plead with the minister, and perhaps more necessarily with some of the other members of the government: Do not let this house adjourn for the summer recess without passing this legislation. I ask the government not to weaken and not to delay. I believe the members of this house are prepared to support the minister in passing this legislation as expeditiously as possible. All the members of this house are asking of the government is that they give us some leadership in this regard. If we get that leadership, we will give the government continued co-operation to see that this legislation is passed without delay. It is important legislation because, as the minister himself has already said, this is another milestone in Canada's march toward the day when every Canadian citizen will be entitled to health services irrespective of their colour, their race or their ability to pay. For that reason we want it placed on the statute books as quickly as possible.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I listened very intently to the speech made by the hon. member for Burnaby-Coquitlam (Mr. Douglas) and I must say that I am at variance with him on several points, for instance, when he asks us to whisk this legislation through. The hon. member for Burnaby-Coquitlam (Mr. Douglas) says that it is not even necessary to refer this bill to a committee for consideration, while we do not even have the bill before us yet.

And everything seems simplified in the mind of the hon. member for Burnaby-Coquitlam. Again this afternoon, during the question period, we asked if certain provinces which are a little more jealous of their constitutional rights want tax compensation instead of a subsidy. What would happen? Well, the minister seemed a little uncertain, and I am convinced that there is nothing in the bill now to cover that and that consideration in committee could be helpful in finding a solution to those problems.

The hon. member for Burnaby-Coquitlam seems eager to hurry things, and not give the members of the house or the provinces too much of an opportunity to consider this legislation. Yet, it must be recalled that health is a provincial matter, and that the provinces are the ones which, in the final analysis under the terms of the constitution, have jurisdiction in the field of health.

And that is why I am surprised at that last-minute suggestion made by the hon. member for Burnaby-Coquitlam. Although we are ready to sit during the summer, although we are ready to study Canadian problems, we are not ready to whisk such legislation through.

What we would be ready to accept, however, is that the bill be referred to the committee and that the committee sit during the summer months to take it under consideration. That would be acceptable to us.

We want to take our time in studying this bill, not because we want to avoid working, nor shirk our duty, but because, on the contrary, we want it looked into properly so that, later on, we will not blame ourselves.

The hon. member for Burnaby-Coquitlam mentioned, as if it were something terrible, that health insurance should not be in the hands of private enterprise, adding that it would then be more costly.

Mr. Chairman, I should like to point out that, in Canada, or at least in the province of Quebec, there are health insurance companies the purpose of which is not to make profit; they operate very well and give satisfaction to those who deal with them. For instance, the Quebec Health Service or Blue Cross can manage that type of health insurance program, at a lesser cost than what it would cost the state.

Saskatchewan has been given as an example. But it is in that province that the population has grown the least. Let someone tell us why the people of Saskatchewan leave it to go and live in Alberta and British Columbia. They do, because they are fed up with socialism, where the state tries to manage everything for the individual. The individual is not trusted; he is denied his responsibilities. And so, the citizens of Saskatchewan go elsewhere to live. The last census proved it. If there is a province where the population did not increase, that is Saskatchewan.

To what is that due? To the fact that an attempt was made to decrease the responsibilities of the individual, to strip him of his personality, in order to hand everything over to the state. We can see what it has led to: not much. It kept the province from progressing in comparison with the other prairie provinces which have developed much more rapidly.

Well, Mr. Chairman, I am not prepared to let this bill be rushed through in such a way that will prevent us from realizing what has happened. We do not even have a copy of the bill.

If the hon. member for Burnaby-Coquitlam agrees to the committee sitting during the summer so that the hon. members can look into this bill, we have no objection. But if they try to railroad a bill in such a way that nobody is able to see anything, well, then we raise an objection.

Mr. Chairman, it was said a while ago that the federal government had only two things to do: to pay the 50 per cent of the cost and, second, to enumerate the conditions. But we should like to know how the 50 per cent will be paid to the provinces. We do not agree at all with the federal government collecting tax money and then saying to the provinces: set up a program in such a way so as to use this tax money in an orderly fashion. We prefer a system like the one adopted for many other programs, that is a fiscal compensation. If they expect that medicare is going to cost such an amount to the province of Quebec and the federal government is going to pay half the cost, the province of Quebec should get a fiscal equivalent for what that will cost the federal government.

That is one of the first conditions we would like to see included in the bill, because we believe it is very important that the jurisdiction of the provincial government in the field of health should be respected as much as possible. We think that is possible in the case of medicare. That has been done in other areas, in many joint programs; therefore, why could this not be done with medicare? I think the minister will not object and if he failed to make such provision in the bill, he will see to it, before introducing the bill, to move an amendment so as to enable the provinces to choose either between a fiscal compensation or any other plan that the federal government will make available to them or leave them free to accept.

As far as the province of Quebec is concerned, it is a known fact that this province has decided to establish its own medicare plan. The only thing we can do here to support this plan is to demand that a fiscal compensation rather than a straight subsidy or grant be paid by the federal government, because we feel that the federal government would override its jurisdiction and we are against any further infringements on the rights of the provinces. Once the federal government has decided to pay a certain amount

or give a fiscal compensation, it may then leave the provinces a free hand in the administration of their medicare plan.

• (5:20 p.m.)

If the provinces want to go through private, non-profit organizations, let them. In many cases, it has been demonstrated that the administration of such a plan by a private organization—by this I mean a private, non-profit insurance company—is preferable and less expensive. Let the provinces take their own decisions on their own programs, since this is under their jurisdiction, under their responsibility in this area of health.

Mr. Chairman, that is all we have to say at this stage and we object to this being a state plan, where all is controlled by the state, that is the doctors, the drugs, the hospitals and the rest. We want individuals to preserve their right to choose, that they may continue to live in accordance with their own decisions and their own responsibilities; we object to any infringement by the state in the field of health. The goal to be attained in a health insurance plan is to provide health care for all Canadians, regardless of wealth, rank, race, religion, or age. The objective is to make it possible for each citizen to have access to medical care. There is a way to reach that goal. It can be done through a government program administered, directed, supervised, inspected by the government, and we want none of that.

In the field of health, even more than in others, the individual has a right to his freedom, he must be free to choose his own plan, his own doctor. And in the field of health also, the doctors must be left free. Since medicine is a profession, we must leave to the doctors as much personal ambition as possible, as much personal initiative as possible; only if those conditions are respected will we have good doctors, in short competent doctors. They must not be turned into government employees. They must not be turned into bureaucrats who will have to work in shifts. We must give that profession all the freedom it needs. We must also give the individual, the human being, all the freedom he needs. The government must set up a plan where everyone will be free to choose but will have access to medical care, whatever his means, and even if he has no money at all, to get medical attention when he is sick, to go to the hospital when the need arises, to see a doctor.

That is the goal to be attained and the bill which will be introduced should seek to attain that goal, while leaving his freedom to the individual and the human being.

Mr. Chairman, the minister did not mention in his statement what such care will be; he said: it must be as general as possible. Well, it will be necessary to include all medical care, including dental care, etc.

Mr. Chairman, such are the few remarks we wanted to make; we will wait until we see the bill before discussing it further. We believe that it should be referred to the committee for further study. If that can be done during the summer months, we are ready to do it; if that must be postponed until the fall, we would deplore it, because we would prefer things to go even faster, but in any event, we are ready to co-operate if the bill is referred to the committee for further study, so that the legislation will be the best possible, to the benefit of each and every Canadian citizen.

[*English*]

Mr. Thompson: Mr. Chairman, in commenting on this resolution, which is a preliminary to the medicare legislation that has been talked about by the government now for such a long period of time, I should like to say that we in the Social Credit party are in complete agreement with the proposition advanced by the minister that every Canadian citizen and every Canadian family, regardless of financial status or any other classification that might be applied, must have full access to the highest quality, comprehensive health care possible, according to physical or mental needs. This is a basic principle, and I think we, not only as members of this house but as members of society as a whole, must assure every Canadian citizen and every Canadian family that it will be achieved.

In this regard I am just as anxious as any member of the New Democratic Party, the government or any other member of the house to see that every Canadian citizen receives complete health care according to his needs at a price he can afford. Therefore my remarks regarding this resolution at this time and in reply to the minister's statement are not in disagreement with that objective—we agree with that objective—but rather in disagreement with the method proposed as to how this objective should be achieved. Just because the government says that medicare is the most logical, efficient and economic way of achieving this objective, and just because

the government suggests that its proposal is the best way of achieving this objective, does not make this necessarily true.

Having said that, I do not believe that the federal, provincial or municipal governments have any responsibility to care for the health needs of Canadian citizens who are themselves able to provide that care. That is the false philosophy of the welfare state. In my opinion the government does have a responsibility to assist those who are unable to provide for their own needs. If we accomplish that then we are meeting our responsibilities as our brothers' keepers.

Nothing less than the very best of health care must be made available to all Canadian citizens according to their needs, but that does not mean the government must provide this care. I have in mind now those citizens who are able to provide for themselves. If we provide hospitals, health services and various forms of health treatment then I think it is only reasonable for everyone to have access to them, but to throw that whole responsibility on the shoulders of the government is not necessary; in fact, it is wrong.

• (5:30 p.m.)

We are told today that this legislation is intended to pay for only physicians' services and the estimated cost is approximately $28 per capita, half of which is to be paid by the federal government. This represents only one small area of the over-all field of health care. For those who advance the thesis that the government is responsible for everyone, regardless of whether they can afford it or not, this is a major step. However, it is committing not only the federal government but the provincial governments to a program that will be vastly more expensive than $28 per capita. In fact, it is just the beginning, because if we say we are going to supply only physicians' services we are neglecting very important areas of health care that must later be included in the plan.

What about optometric care, particularly for our children? What about dental care? What about other forms of health care that are legitimate in the over-all field of caring for the sick, such as chiropractic treatment? These things must be included later. Therefore in dealing with this legislation we are actually committing ourselves to a program of health care that will be vastly more expensive than the plan we are talking about now.

I believe there are other things that are vitally important and which are inherent in this legislation. A government-dominated

scheme, whether it is compulsory by direct premium or compulsory by being charged to general taxation leads inevitably to a loss of individual freedom. Nothing is more compulsory than taxation. Is it not possible for us in this democratic society to meet our basic responsibility to our fellow men without destroying, weakening or eroding those basic elements of freedom that are inherent in the democratic process? I think it is. Therefore I think we in this house who represent the Canadian people should make sure that in approaching the objective with which we all must agree we are using the most efficient and effective methods. I do not believe the legislation as outlined in this resolution and the minister's statement is the most efficient and effective method. To say that we must deal with this matter prior to the recess is to cut short essential discussion on the one hand and on the other to force upon the provinces and the people of Canada something which cannot deal with that quickly. It has been said that the report of the Royal Commission on Health Services has adequately dealt with the problem. I disagree. It made recommendations, some of which are very excellent. But this may not be the best answer to the problem. Just to commit the government to this phase of health care is to override many of the recommendations that were made relating to the supplying of adequate services to meet the needs of our people as they relate to health care.

The first speaker after the minister in the debate this afternoon, the hon. member for Simcoe East, a man in the medical profession whom I respect very much, raised a point that was also included in the report of the Royal Commission on Health Services. I refer to our ability to provide the facilities, doctors and nurses necessary for the proper functioning of this program. Just to ignore certain aspects of the commission's report because we think we must now force a commitment upon the government of Canada and the governments of the provinces is absolutely wrong. In fact, Mr. Chairman, I am convinced that if the public were fully aware of the ultimate cost in relation to the benefits that will be received under the legislation as proposed at the present time, they would be most hesitant to accept such a plan; in fact, I think they would reject it.

Another vital area, as medical care relates to the general field of welfare, is that of priorities. I believe we are approaching the

general responsibility of public welfare in reverse. There are priorities within our responsibilities in the area of public welfare which must be established. We cannot afford, the public purse cannot pay for, the over-all cost of public welfare to which we are today committing ourselves.

I think the basic priority that we have to the public at large and to our children is one of education. I believe it is necessary to make sure that we give education the priority it must have. I refer not only to general education but to the education involved in giving our people the health care they deserve. This includes the training of doctors, the building of hospitals and providing research facilities. If we move in with a medicare program for which we have not laid adequate foundations or made complete provision, we are cutting off our nose to spite our face. I say it is absolutely imperative that we give education in all its aspects the first priority so far as our welfare responsibility is concerned.

I would say that our second priority in this area of responsibility concerns health care. But again I say that I do not believe it is the responsibility of the government to assume the health care of all Canadian people. If the Canadian people are what I believe them to be, they want to accept their own responsibilities as they relate to themselves and their families. In the area of government we must accept responsibility through the public purse to take care of those unable to take care of themselves. If we do this we are meeting our over-all responsibility because we will have made available to everyone the health facilities and services we are able to provide. This is our second area of responsibility, so far as priority is concerned, in the general area of welfare.

I would suggest that the third area of welfare in the priority picture is that of pensions, providing for our older people and those who cannot work. What we are doing now is approaching the problem in reverse. We have imposed upon the taxpayer a costly pension plan. It is described as a compulsory saving plan; it is actually a compulsory pension plan. Now we are dealing with medicare. Some time in the near future we will be dealing with education and will get ourselves into trouble. In fact, we are in trouble already in this regard because those concerned with education of whatever kind know very well that the dollar available for education is not adequate. The provincial departments of education, the Teachers' Federation, the ratepayers' associations, are concerned about the fact that they do not have enough money with which to bear the responsibility that is theirs, and the federal government must come in and assist them.

But you cannot solve the problem by pushing it farther from you. There is only the tax dollar available to meet all these charges. Whether it is collected and used by the federal, provincial or local governments does not really matter so far as the taxpayer is concerned, because it is he who pays the tax. Therefore I think it is imperative that in dealing with this legislation we consider the area of priority as it concerns our financial ability to pay through the public purse.

Coming to the points the minister elaborated on today in introducing this resolution, I would make a few comments in the order of his presentation. The minister said the first requirement that will be imposed upon the provincial governments, in relation to their being qualified to receive the 50 per cent contribution from the federal government, is that their medicare schemes provide doctors' services on a universal basis. First of all I believe that the scope is entirely too narrow.

• (5:40 p.m.)

There is a question which I wish to address to the minister and which I think he owes it to us to answer even before the legislation is introduced. Who will set the doctors' fees? The minister says arbitrarily that the plan will cost $28 per capita and the federal government will pay $14 out of that sum, but has the federal government set up a scheme for doctors' fees to which the doctors of Canada and the provincial governments must adhere?

Mr. MacEachen: No, Mr. Chairman.

Mr. Thompson: How then can the federal government force the provincial governments into a program that requires complete coverage by the medical practitioners? Twenty-eight dollars will probably not be enough to cover it. Perhaps the medical fees will vary from one province to another. The matter of the doctors' fees is very important, and for the minister to say that the government will not set those fees means that the door will be opened to much confusion, trouble and inequity in the various provinces.

Mr. MacEachen: May I clarify this point for my hon. friend? It is certainly not the

intention in the federal legislation to set up any schedule of fees. This would be a matter for determination within a provincially administered medical care plan.

Mr. Thompson: The minister says this will be the responsibility of the provinces but in this legislation the federal government is stating, or I expect it will, how much will be allowed for doctors' fees to each province on a per capita basis.

Mr. MacEachen: The federal government will reimburse the provinces on the basis of actual experience in the amount of one-half of the per capita cost of providing insured services in the participating provinces. The federal government's role will be the reimbursement of the fees established within the provinces according to their experience.

Mr. Thompson: Time does not permit me, Mr. Chairman, to debate this point at the present time. I hope it will turn out to be as simple as it is now outlined by the minister. I have certain reservations about it.

I say to the minister, in regard to the narrowness of the scope of this scheme, that I suppose the prepayment of medical practitioners' fees is one area where the program can be initiated, but it is very unfair because there are other areas of health service which do not concern medical practitioners and which are omitted in this legislation.

Mr. Chairman: Order please. I apologize for interrupting the hon. member for Red Deer but the time allotted to him has expired.

Some hon. Members: Please continue.

The Chairman: Does the committee of the whole give consent to the hon. member for Red Deer to continue?

Some hon. Members: Agreed.

Mr. Thompson: I appreciate the indulgence of hon. members and your own, Mr. Chairman, in permitting me to continue.

My third observation on the first matter raised by the minister concerns our ability to supply adequate numbers of medical practitioners on the basis that is proposed in this legislation. This has already been dealt with in the debate but I think it represents a very real problem.

Experience with medicare programs in Saskatchewan, Great Britain, New Zealand, Sweden and elsewhere has indicated that immediately the services of medical practitioners are made available on the basis demanded in this legislation the work load of the practitioners is increased. I think that our own inability to increase the number of medical graduates in this country, together with the loss of our graduates through immigration to other countries, in spite of the numbers that arrive here from Great Britain, will pose a very real problem in the implementation of this plan. It is one thing to say we will implement it by July 1, 1967; it is another thing to make it functional on an equitable basis.

Second, we were told this afternoon that any provincial medicare program must give universal coverage but that it will not be compulsory. I find that in this explanation the minister has made a play on words. It seems to me to be practically an exercise in semantics because what could be more compulsory than having to pay for the medicare program through a general tax contribution. In fact it amounts to political blackmail, although I hesitate to use the word because I know the minister, not being that kind of a person, does not really intend it, so far as the provinces are concerned and the individuals as well who do not choose to accept that it is the government's responsibility to meet their own health needs. How can he say it is voluntary if he intends to force the provincial governments to pay for something they are not going to get? It is certainly very compulsory. It includes everyone arbitrarily, whether they need it or not, and therefore to say it is not a compulsory scheme so far as payment is concerned is incorrect.

I have been referring specifically to the financial aspect being made compulsory. It is a good feature of this legislation that the freedom to choose doctors is left up to the provincial authorities and is not made compulsory. I believe it is also a violation of individual rights. I suppose one cannot accept the government's responsibility in areas such as these without sacrificing one's individual rights, but that is really unnecessary. I think other alternatives or approaches might be found to be more satisfactory.

In the third point which the minister made in his statement he referred to the fact that one of the prerequisites of the federal government is that the provincial governments must apply the medical program through provincial plans which are non-profit and subject to public audit. What the minister is actually doing here is wiping out the private

carrier. How can a private insurance scheme operate under the qualifications that have been outlined to us this afternoon? An hon. member had just said they are not supposed to do so but why should we accept something that is less efficient and more costly if it can be done another way? I believe that today it is possible, because of the efficiency of private enterprise and with proper government regulation, to supply medicare insurance through private carriers at a more economic rate than can be done through public carriers because, whether we like to admit it or not, the government is the least efficient body in administering such schemes.

Mr. Barnett: May I ask the hon. member, in connection with his suggestion regarding the relative efficiency of public and private plans, whether he heard the figures on the administrative cost put before the committee earlier today by the hon. member for Burnaby-Coquitlam?

Mr. Thompson: I have certainly heard them but the fact is that when you begin to deal with public administrative costs, much of it is hidden in other services that are not directly related to it. The hon. member for Burnaby-Coquitlam did not say very much about the tremendous escalation of the first projected cost of the Saskatchewan medicare system. Only two years after the system was implemented in Saskatchewan the premium cost had more than doubled. Inherent in this are other charges which are also related to public expense. Perhaps there could be justification for doing it that way if the public purse can afford it. But this is not a proven fact by any means. I do not understand why the minister demands that every provincial government eliminate the private carriers now providing health insurance. Certainly this is not good economy or efficiency so far as the citizens of this nation are concerned.

Time does not permit a lengthy debate on this subject but I should like to say very briefly that portability, as explained by the minister, is very necessary. However, this is something which I think can be worked out without forcing this type of medicare program on the provinces. I believe every provincial health administration realizes it is unfair to implement a provincial medicare scheme that is not transferable. The transferable feature has worked rather well so far as hospital insurance is concerned and I am sure it could be worked so far as medicare is concerned without making it a prerequisite, as in this legislation, although in principle we must accept it.

• (5:50 p.m.)

I believe it would be wrong to criticize the remarks the minister has made this afternoon without offering some alternative proposals. Very briefly, I should like to mention to him another way of achieving the objective which we all agree must be our ultimate goal in the area of health. If the government had said that they were going to be completely responsible for the medical care of pensioners in Canada, they would have relieved provincial health administrations of one of the most costly areas of medical care. Because we are concerned with pensions for our senior citizens, the government could well have said that they were going to extend that pension responsibility to include complete medical coverage for these pensioners.

I believe the provision of medical care is even more essential for these older citizens than increasing the pension to $100 per month. We all know that the most expensive time of our life, in so far as medical costs are concerned, is in our senior years. This would have been an area in which the federal government could have legitimately claimed jurisdiction, and it would have saved provincial departments of health tremendous amounts of money in the implementation of their own medicare programs. I do not believe we have to have uniformity in medicare programs across the country simply because the needs of areas differ.

Another practical way of meeting the increasing costs of medicare would be to supply the provincial governments with a per capita grant. If it were desired to place prerequisites on the making of the grants, it could have been stipulated that they must be used for preventive medicine. They could also have been designated for the care of our children because it is in these areas that preventive medicine offers the greatest opportunity of service.

I would also suggest to the minister that I believe it is the desire of every Canadian citizen to take care of his own needs. Unfortunately there are some who are unable to do so. This is particularly true when some unfortunate accident happens to the family. I am speaking from experience in this connection because throughout the years my father's family had tremendous health costs. I remember, as a young school teacher, that my dad took me into the room where he kept his

records and showed me receipts for more than $10,000 for medical and hospital care. This was at a time when dollars were worth a lot more than now. This burden of medical costs made it difficult for him to provide assistance to those who were fortunate enough to have good health and who wanted an education. There are many families in Canada today who face such a calamity. I believe the one great fear many Canadian parents have in so far as medical costs are concerned is that some unfortunate accident or disease will hit them and they will not have the financial means to meet it.

Thus as a third point I believe the federal government, therefore, could easily justify providing every Canadian family with some form of basic calamity or accident insurance policy which would take care of hospital and medical fees say in excess of $1,000. In summary if the government had proposed such a program that would take care of our senior citizens first, that would assist the provinces in taking care of our school age children or pre-school age children with respect to preventive health care through the provision of a per capita grant or if we had some kind of insurance scheme to take care of extreme cases of accident or disease catastrophe, I think they would have had an alternative so far as their responsibility for medicare is concerned. Then the provinces would be able to take care of the remaining medical costs without placing too great a burden upon them. This is why, Mr. Chairman, I find it very difficult to accept the arguments that have been put forward by the minister today that this is the best method by which our responsibilities in the area of health care can be met.

On the basis of those arguments it is impossible for us to give support to the legislation he is proposing. I do not agree with the hon. member for Burnaby-Coquitlam that this legislation must be dealt with in the next week or two. I hope that if this resolution does pass, as we expect it will even though we cannot give it our support, the legislation will be referred to the proper committee. If it is possible for some of our committees considering major legislative items to meet prior to parliament reconvening, that would be good. I believe therefore that provision must be made before we leave here to send this legislation to a committee for further study. We should not pass the legislation in an autocratic fashion that would deny the provinces the medical profession and others, the right to make representations before a committee. We should not force something on the provinces which is going to commit them to vast sums of money without the provinces having too much to say about it. I believe, therefore, that as soon as the legislation is introduced it should be referred to the committee for the further study which it deserves and must have.

[*Translation*]

Mr. Isabelle: Mr. Chairman, it is always a pleasure for me to rise to speak in this house, because I am sitting on this side of the house which has always been in the vanguard of Canada's future. We have been given a further proof of this in the last two hours because it seems that hon. members opposite who have taken a position on the measure do not seem to know what medicare is about. Everything was mixed up: socialism, drugs and medicine. It seems to me it might be well advised at times, to consider whether speeches should not be somewhat shorter, but mean something.

We have always been the party of the people. We are the party dealing daily with the needs of the Canadian people and that is why I am doubly pleased to take this opportunity to say a few words about this social security measure which is part of the vast general humane program of my party, I mean medicare as proposed by our government.

The right hon. Prime Minister (Mr. Pearson) at the federal-provincial conference of July 65, had, as you know, stated that the federal government would financially assist the provinces willing to introduce medicare, provided they meet the four basic requirements or principles which are that the schemes be universal—a much discussed point about which I shall say more later—transferable, that they provide assistance for or, if you prefer, that they include all medical services provided either by practitioners or by specialists, whether in the hospital, in the office or at home and, finally, that such plans be administered by a provincial government or under its responsibility.

Of these four principles, two—transferability of benefits and complete assistance or coverage of all medical services, seem to have been almost unanimously approved by Canadians.

I shall try, as much as possible, to speak today on the two other requirements laid down by my government to help the provinces

anxious to attract their citizens, that is universality and public administration. The basic principle underlying the provision of medicare by the government is society's responsibility to provide all citizens with adequate health services.

• (6:00 p.m.)

Every Canadian citizen has a perfect right to complete and continued protection. That is a basic human right like the right to education, life and freedom. The government cannot divest itself of its responsibilities by relying on the administration of private enterprises, whatever they may be, for profitable purposes or not. Physical health, like mental health, is equally important in remaining able to work, in holding a remunerative job. Furthermore, it is essential to the economic security of a nation; if an army's victory depends on a full stomach, the economic prosperity of a country depends on the health of its citizens.

Anyway, why should private companies be interested in the administration of a program on a non-profit basis, which would be the only acceptable way? These companies would have to see some advantage in it, for example publicity for their life insurance company, because many such companies were established for non-profitable purposes simply to have free publicity throughout the country. I do not see how these public funds can be used to this end, even in such an indirect way.

The federal government undertakes to pay 50 per cent of the cost of this program and must see to it that this money is used to provide protection for all its citizens on equal terms and conditions throughout Canada. Under the circumstances, in my humble opinion, only a public administration system can give the government this assurance without burdening the administrative machinery to no purpose with a control which is increasingly difficult to maintain and a nuisance to all.

Universal application, as the hon. Minister of Health and Welfare (Mr. MacEachen) said several times, means that at least 90 per cent of the population of a province must be covered for the moment by the provincial program, again under uniform conditions and without differentiation as to age, financial position or ill health.

In a few years this 90 per cent of the population will become close to 100 per cent, the figure we are to reach. In my opinion, the government is wise to insist on this universal application, for, as I said earlier, it is responsible for the health of every individual, for humanitarian and economic reasons. The financial barrier which prevents many people from receiving medical care, affects not only the individual himself but all of society.

A person's illness creates a social void around him which affects not only his near relations but all society. It creates general disorder.

The question of the famous arguments, that is, whether the provinces are ready to receive the compulsory health insurance program called medicare, may be raised. Some sharp discussions have already taken place, but the government was wise enough, before entering this field, to appoint a commission called the Hall commission to inquire into health services in Canada and their needs.

Now, this commission which looked into the matter for almost three years, studied health needs and sought means to extend and improve present services, reached the same conclusion. It recommended a universal plan on a public management basis. All members of the commission seconded this recommendation, including doctors, nurses, dentists and even a former president of the Canadian Medical Association, an organization which comprises approximately 75 per cent of all Canadian doctors.

I feel that in the present situation, especially as I pointed out earlier, it rests with the government to provide for education and health services. It is up to the government to provide the required funds so that no Canadian in 1967 is deprived of the bare minimum, including health.

And I know that in this very house, on August 22, 1958, when hospital insurance began to take shape in the province of Quebec, it was said that that province would only participate in a hospital insurance plan, as stated by the member for Quebec West:

When we have beds for the sick.

It was only two years later that the province of Quebec, with the same number of beds or almost, went down to history as being the last to participate in the Canadian hospital plan, after losing approximately $154 million in benefits.

I shall now give a brief historical account of what has taken place in Canada over a good many years.

[*English*]

The interest which all provinces now have in public health insurance began first in the

western provinces of Canada and in Newfoundland. While the legislature of British Columbia was probably the first to consider the issue of health insurance with the appointment of a royal commission in 1919, the first action was taken in the prairie provinces during and after world war I with the operation of the union hospital and municipal doctor systems, and in Newfoundland with the introduction of the cottage hospital system in 1934.

Further action was taken by several provinces during the period 1943 to 1949. In Quebec in 1943 an act to constitute a health insurance commission was passed. The commission was directed to study the problem of health insurance and to suggest a plan. However, in 1945 the legislation was repealed and the work was terminated. The Municipal Health Services Act was passed in Ontario in 1944 to enable municipalities to develop contributory plans subject to approval of the provincial department of health for whatever medical care services were required.

Under the Health Services Act of 1945 Manitoba made provision for the extension of health services and for the organization of medical care districts in which, subject to approval of the Minister of Health, municipalities could enter into contracts with physicians for specified, prepaid medical care. A Health Services Act was passed in Saskatchewan in 1945 to provide comprehensive health services including hospital, medical and dental services, and pharmaceutical benefits for persons receiving old age pensions, mothers' allowances, and general welfare. Beginning in 1946, under the same legislation the Swift Current health region operated a universal, prepaid, public medical care service for residents of that area.

The Saskatchewan hospital services plan began operation in 1947. It was the first provincial program to provide comprehensive, prepaid hospital insurance on a compulsory basis to almost the entire population. Alberta introduced a maternity hospital care program in 1944 and the Alberta hospital services plan in 1949, which were available without charge to all residents. The British Columbia hospital insurance service began also in 1949 in that province.

Public medical care insurance plans are presently in operation in seven provinces: Newfoundland, Manitoba, Ontario, Quebec, Saskatchewan, Alberta, and British Columbia. Newfoundland provides coverage for medical and surgical care to part of the population,

under the cottage hospital medical care plan. In Manitoba, under the provisions of the Health Services Act, 1945, voluntary, prepaid coverage is available in organized medical care districts for medical care specified in contracts between physicians and municipalities. Since 1962 Saskatchewan has been operating a province-wide, compulsory medical care insurance program. The Swift Current regional medical care insurance plan contiues in contract with the medical care insurance commission of the province. Public programs for the provision of voluntary medical insurance to any resident have been in operation in Alberta since 1963, and in British Columbia since 1965. Ontario has amended its legislation passed in 1965 and has scheduled a plan of voluntary coverage for any resident which commenced operation on July 1, 1966. Quebec accepted a modified health plan for its social beneficiaries last April. It is presently studying a medical care insurance plan and the provincial government has expressed its intention to introduce a plan by January 1, 1968.

• (6:10 p.m.)

The three maritime provinces of New Brunswick, Nova Scotia and Prince Edward Island have not taken any independent action to plan or introduce public medical care insurance except that at the conference of federal and provincial ministers of health, held in Ottawa on February 1, 1966, New Brunswick accepted the federal proposals but Nova Scotia and Prince Edward Island did not make any commitment on these proposals for health insurance. Maybe Prince Edward Island will change its mind after what happened yesterday.

The first recorded official interest of the federal government in health insurance was in 1928 when the standing committee on industrial and international relations was authorized to investigate and report on insurance against unemployment, sickness and disability. Their recommendations culminated in the Employment and Social Insurance Act, 1935, which provided for the appointment of a commission to gather information on health insurance plans and to submit to the Governor in Council proposals for federal cooperation in the provision of benefits. The act was subsequently declared unconstitutional by the Supreme Court and the Privy Council.

More thorough study of the issue began in 1941 when the minister of pensions and national health presented a report on the deficiencies in public health and medical services

in Canada to the annual meeting of the Dominion Council of Health. The members were sympathetic to the formulation of a plan for health insurance. A study was then launched, with that objective, under the direction of the department of pensions and national health. The Canadiana Medical Association formed a committee on health insurance to assist in the preparation of a draft plan for public health and health insurance. The outcome of this study was a draft bill which was reported to the House of Commons on July 29, 1944. It was discussed with provincial ministers and deputy ministers of health in May of that year. The federal proposal based on the bill was presented to the dominion-provincial conference on reconstruction convened in 1945. The proposal included a comprehensive health insurance program supported in part by federal contribution and administered by the provinces, health grants to improve public health services throughout Canada, and loans to assist and promote the construction of hospitals. However, discussion at the conference centred mainly on financial arrangements and taxation. Since all provinces failed to reach agreement with the federal government on those arrangements, adoption of the proposed national health program was precluded.

In the following years parts of the federal proposal of 1945 were separately put into effect. The national health grant program was introduced in 1948 to provide grants in aid of public health services, health surveys, professional training, and hospital construction. Then the Hospital Insurance and Diagnostic Services Act was passed in 1957. By the end of 1960 agreements had been made with all provinces and territories to make the program national in scope.

On June 20, 1961, the Royal Commission on Health Services was appointed with Chief Justice Emmett M. Hall as chairman. By Order in Council P.C. 1961-883 the commission was required to inquire into and report upon the existing facilities and the future need for health services for the people of Canada and the resources to provide such services, and to recommend such measures, consistent with the constitutional division of legislative powers in Canada, as the commissioners believe will ensure that the best possible health care is available to all Canadians. The commission's report was tabled in the House of Commons on June 19, 1964. This report further focused the attention of the federal government on the desirability of some system of nation-wide medical care insurance.

Subsequently, at the federal-provincial conference held in Ottawa in July, 1965, the federal government made certain proposals to bring about a system of health insurance in all provinces by a target date of July 1, 1967. During the meeting of provincial and federal ministers of health in Ottawa on February 1, 1966, three provinces accepted the federal proposals and the others remained uncommitted without making any definite refusal of the offer. In reviewing the situation the federal Minister of National Health and Welfare hoped that all provinces would accept the proposals by the target date.

[*Translation*]

This shows, Mr. Chairman, that since 1919, for nearly 50 years, Canada has been seeking some solution for the conservation of the health of the individual. The Hall Commission has concretized this desire for medical care offered to every Canadian.

Many will say that conflicts will arise between physicians and patients. I do not think so. I think that even if we do not have yet the necessary material for the task which is shortly to be ours, and if we must make a superhuman effort, perhaps when these programs are implemented, I am speaking of physicians eventually, everything will level off. With our professional and technical training and health resources program, toward which the federal government put aside $500 million to develop that manpower of technicians, nurses, medical research centres, new universities which will train more physicians, everything will be phased-in, as was the case for hospital insurance. I am speaking of the province of Quebec and of a need its people wants to be fulfilled.

[*English*]

The Chairman: I apologize for interrupting the hon. member for Gatineau but the time allotted to him has expired.

An hon. Member: Carry on.

The Chairman: Does the committee give consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Churchill: Mr. Chairman, when members are given extensions of time, except for

spokesmen for parties I think some limit should be placed on that extension. I would say five minutes.

Mr. Isabelle: A minute and a half.

• (6:20 p.m.)

[*Translation*]

This is the implementation of a general plan. This answers the needs of the population and we cannot afford not to grant it, because it is not only a need, but a right.

We must do it for the sake of our fellow-citizens, for the sake of our present government which is always ready, as it has always been in the past, to practise its theory of liberalism which consists in serving those in need, those who need its assistance.

This comes within the general implementation of social welfare programs and leads the way toward their fullest application in the near future.

Medicare will be the greatest piece of legislation ever undertaken by any government, since it will affect personally and directly each and everyone of 20 million Canadian citizens.

I ask the medical profession, to which I have the honour to belong, to be courageous as it has always been since the beginning of medical history, in order to prove to the other citizens that we are worthy of our forefathers, who worked without cease under extremely difficult conditions to accomplish the most humanitarian task, that of caring for one's fellow-men, so that they might enjoy the greatest gift all—health.

Before closing, Mr. Chairman, let me tell those who say that Canada is not ready for a medicare program that the same thing happened in 1958. At that time, the Canadian hospitals, having only a limited number of beds, were not ready to accept the hospital insurance plan. I have before me a book which dates back to 1895, where the doctors of that time are advised to study so as to keep up with the progress of science in the last 15 years, that is since 1880. The doctors are asked to go back to university so as to be up to date. If the doctors of that time had followed this advice, they would have been forced to close their offices and their patients would have died while they were studying. We should not postpone indefinitely the establishment of the medicare plan in Canada, because it must come into operation in 1967. People are asking for it.

[Mr. Churchill.]

[*English*]

The Chairman: Order. Before the hon. member for Peace River proceeds, perhaps he would permit me to announce the item for the adjournment debate this evening. There is one question: the hon. member for Winnipeg South (Mr. Sherman), Industry—instructions from U.S. respecting flour for Cuba.

Mr. Baldwin: Mr. Chairman, with reference to the remarks made by the preceding speaker I congratulate him on the simple and abiding faith he seems to have. I only wish I had it. It may be that he sits in a different position than I do, and maybe he has not been here as long, but I hope he can continue to have that sort of faith. It is very touching.

I intend to make reference later to some of the comments of the hon. member for Simcoe East, who made a tremendous contribution to this debate. So far as the hon. member for Burnaby-Coquitlam is concerned, he said what was predictable, and I think what he said was mostly wrong. There is one thing about the hon. member. When he is wrong he is consistently wrong whereas, in contrast, the government is usually wrong but it is usually inconsistently wrong.

The hon. member for Burnaby-Coquitlam spoke of the necessity of staying here to complete all stages of this legislation. The minister did not go quite that far. He was not quite that ambitious. He is prepared to make three or four bites of the cherry, and indicated a lurking desire to finish second reading.

There is, Mr. Chairman, no monopoly of political virtue in any part of this chamber. I am prepared, as I am convinced is each other member of this party, to stay in session if it is necessary. However, not only is it not necessary but it is quite undesirable that we should deal with any more than resolution stage at this time.

Despite the considerable finesse exercised by the minister when glossing over what I think are some compulsive features which will be embodied in this legislation, there are these aspects of it. The hon. member for Burnaby-Coquitlam said that there has been a royal commission preceding this legislation and there had been studies and surveys made which generated a lot of comment. So far as royal commissions are concerned, we have so many of them that when Canadians hear about a report of another royal commission they usually hide their heads under a pillow. But that is not the point. This debate should be on a national scale.

There are interests involved of provincial governments, of professional institutions, of hospitals and municipalities, and over and above that there are the interests of every person in Canada. It is my sincere view that when the resolution is passed and the bill is exposed it is desirable we should stop there so that the contents of the bill may become fully known. The minister knows what is in the bill. So far as he could he gave us some indication of what it contains, but it is a condition precedent to any further debate that during the course of the summer there should be an opportunity for the people of Canada to inquire into this measure, to formulate their views about it and pass those views on to their members of parliament who in turn can debate the measure. In that way we could make a greater, more interesting and more valid contribution when we return in the fall, and so I cannot go along with the hon. member for Burnaby-Coquitlam on that suggestion.

As a matter of fact, Mr. Chairman, my views are very much the same as those of the hon. member for Red Deer, with whom I do not always agree. It may be that the Chinook winds which originate in Calgary and blow up to Red Deer sometimes get as far as Peace River, but many of the things he has said are comments with which I find myself in agreement, especially those concerning welfare.

The phrase contained in the American Declaration of Independence, "life, liberty and the pursuit of happiness," has been translated in this country by this government as "life and the pursuit of welfare." Welfare, in its broadest sense and ordinary meaning, is fine, but the narrower, restrictive and artificial interpretation which is now all too often accepted is something else entirely.

Any step which is directed against the triple evils of poverty, disease and ignorance must of necessity be of overriding concern to any legislative body, but this does not relieve us of the obligation to scrutinize measures like this with the greatest of care. Not only must we look at the merits of the proposal itself but at its relationship to the national interest and the over-all economy.

As to the intrinsic merits certainly the Hall report, at first blush, appears to be ample authority. Any reader of this report will find a carefully documented argument, well buttressed with supporting material. To take the report by itself, one would be hard put to find reasons to oppose it but, set in the context of the contemporary political, social, and economic background, I have some misgivings which I must voice.

The minister has given us some hint, although it is not in terms of the report, of the cost of the scheme in terms of the federal contribution. To this we must add the provincial costs. One wonders about the validity of these figures. The original estimates prepared for almost all government proposals, for the great public works starting with the building of the railroads down to the building of the St. Lawrence Seaway, have always been greatly exceeded. In addition, there are the maintenance and annual carrying charges which are always substantially greater than estimated. This applies also to most of the social welfare schemes which we have introduced in Canada, and these costs are reflected in increased taxes—income, excise, sales, customs and property—a cost which is borne by the small consumer in two forms.

In the first place, it is an inescapable fact that as a result of the proven extravagance, waste and bad management in government the taxpayer's dollar when returned to him in the form of benefits has decreased when passing through the government establishment. Conversely, the cost is further increased because that portion of the public which has the opportunity to pass on the increased taxes paid always manages to do so in such a way, and with such an increment, that the aggregate of the amount passed on, in higher costs of goods and services, invariably exceeds what has been contributed in the form of taxes, and so there is a loss at both ends.

• (6:30 p.m.)

In the orthodox inflationary consideration, higher taxes mean higher prices, higher prices require higher wage levels, and sometimes there are strikes and work stoppages to obtain these with all the loss of production and confusion that follows. This in turn involves still higher prices with demands for more government-sponsored assistance, increases in pensions and so on. There is an ever-increasing, dizzy, upward spiral. Ask any housewife who goes to the supermarket to do her shopping. The improved standard of living and the related collateral social benefits that we all desire then become a mirage held out for us on the one hand—pension plan, assistance programs, medicare, higher wages—but then snatched away on the other by the fantastic increases we have to pay for everything needed for the ordinary business of living.

Social programs must be or ought to be financed out of increased national productivity. Surely there should be some relation between the quantum of such benefits and the index of our productivity. Unfortunately Canada has a top-heavy three level government structure, national, provincial and municipal, and with a tax system frequently operating to stultify incentive has been dispensing social welfare and wage increases without too much regard to its ability as a nation to pay for them out of increased productivity.

As a nation we seem to have acquired an infinite capacity for self-deception on this score. Certainly the capacity has been fostered and nurtured by the present government which gives the people a series of temporary palliatives, something to keep them momentarily content without regard to the ultimate cost. I think it is about time for some real sincerity and honesty, a time for a government to say: Here is the benefit if you desire it but here is the cost. Certainly this is what the Hall Commission suggested. I do not know what the minister will do in this regard, but recommendation No. 194 at page 88 of the Hall Royal Commission report reads as follows:

> That taxes collected by the federal government to pay for the expanded health services program be identified in such a manner as to make it clear to the taxpayer that the taxes paid cover the health service benefits made available to him.

I hope this will be in the bill when it is introduced.

The case which the government makes is as usual nothing but its stock of shop-worn clichés cunningly interwoven with the self-adulation which is the trade mark of the Liberal party. Rather than concentrating on baking a bigger and better pie, it has become obsessed with the task of trying to divide and subdivide the existing one.

I have tried to give some idea of the price we pay. What do we get in return? There is a guarantee of adequate medical care for those who might not otherwise have this benefit. We must, of course, consider this in terms of the shortage of personnel needed to provide this care. Here I should like to make a very brief comment in respect of the remarks of the hon. member for Simcoe East. Here is a man who obviously is sincere and who has made a powerful contribution to this debate. He is a man who is on the firing line in this fight to provide health services, and he tells us honestly and sincerely of his fears for the future in the light of what he feels the government may have in mind. I do not think it is possible for anyone who heard the hon. member for Simcoe East to dismiss lightly the cautions and warnings he has uttered.

It is a very desirable and laudable objective to drive away the spectre of fear and the burden of having to endure the indignities and the misery and pain of illness which is susceptible to treatment and help. Certainly we must move to achieve this objective. The question is whether the government in its bill will provide a proposal which is acceptable without change and whether it can advance persuasive arguments that are logical that the scheme it proposes must be taken in its total form. It is my view, Mr. Chairman, that the time has come to take a stand, not necessarily a stand against the establishment of a program to provide a better medical health program in Canada but a stand that such programs, and all other social welfare programs, be dealt with with due regard to the essential priorities, with due regard to the impact they have on the life of people, and with due regard to the inflationary aspect of our economy. I have apprehensions about the slap-happy, haphazard, helter-skelter programs which this government has been introducing with more emphasis on political advantages than on proper planning.

I think we must consider our ability to finance these things. I am not speaking in terms of cost in dollars but rather in terms of the deteriorating dollar and in terms of the continuing diminishing amount which the dollar buys today. That is the consideration which I fear and which I have in mind. We must also think in terms of the necessity to provide adequate national savings in the form of real wealth for these programs as well as other essential programs which I see in relation to our need for increased productivity such as the development of national resources, improvements to our national transportation system, education generally, as well as increases in the productive skills of labour forces, increases in technological improvements required in respect of industry and so on. In addition we must be prepared to increase sharply our external aid to developing nations, not only to help them but in enlightened self-interest.

So, without opposing this resolution at this time until I have an opportunity to see, digest and discuss the legislation, I think it is essential that there be an objective and impartial survey and evaluation of our position

vis-à-vis the use of our resources, one that should be made outside of government on a non-political basis.

I therefore have considered and suggest an amendment as follows:

"The said act shall not come into operation until such time as the Economic Council of Canada has made a report to parliament and to the government as to the relative priority in terms of time and capital to be assigned to present and proposed social welfare programs and such other measures as are required to develop productive capacity to provide for these and other requirements of the people, the said report to be made by July 1, 1967".

I am quite prepared to say, Mr. Chairman, that there may be some question about the amendment being in order. I am not going to make an argument on that now, but I propose it in order to emphasize the point of view I have been making. I feel that the Economic Council, a body independent of government which already through its reports has made a study of the over-all pattern of government costs and expenditures with relation to the price structure and productive capacity, is the proper body. Such a survey should examine these various proposals from the economic point of view including a study of the contribution they make and the extent to which they affect the price structure so that the net value and net worth of these programs can be assessed.

It is not my intention to suggest that the Economic Council should assume the responsibility of the government. Parliament and the government can never abdicate their sole responsibility in this regard. It is always for the government to initiate and for parliament to legislate these programs. But it is now apparent that we should provide ourselves with the best available information and that this requires at the present time a survey of the economy to see what effect these measures will have and to see what can be done to contain the price structure. I say quite sincerely that this is not necessarily a position in opposition to the measure. It will require a study of the terms set out in the bill to form an opinion in that regard.

In my view, however, we have failed to recognize the cumulative and pyramiding result that all such programs have on the general economic situation and the eroding effect on the financial position of the majority of Canadians, for example, those who have fixed incomes and farmers whose income is established by external conditions. This is on the assumption which we are entitled to make that no action or inadequate action is being taken to develop our productive capacity to stabilize price levels.

• (6:40 p.m.)

There is an Alice In Wonderland quality, or at least a great deal of hypocrisy, in the position of the federal government. We pass these various measures I have mentioned and thereby set a bad example in our extravagance in government. We provide, even initiate, wage increases without regard to sound basic guidelines. We shirk our duty to increase productivity. As a result of these factors or at least in large part because of them, when prices go up we complain in this house and elsewhere and we mumble about price control.

Even if imposed price controls ever make political and economic sense we have absolutely no jurisdiction to tamper directly with these controls. We are limited to the indirect method of fiscal and monetary steps. We set in motion inflationary forces; we inject their pressure into our economic system and then we whine and whimper about the results. For this reason it seems to me that such unbiased, non-political report should be available before we proceed. There would be no interference with the procedure of legislation.

If it should happen, Mr. Chairman, that the minister is impressed by the comments I have made, perhaps we could design the amendment I have moved in such a way as to satisfy him.

Mr. Barnett: Mr. Chairman, would the hon. member for Peace River permit me to ask a question before he completes his remarks?

Mr. Baldwin: Yes.

Mr. Barnett: I have listened carefully to the hon. member. He made reference several times to social welfare and said, if I understood him correctly, that he was not using that term in its broad sense. Is there any distinction in his mind between a social welfare program such as the recently adopted Canada Assistance Plan and a social insurance program such as the proposal in this resolution? I ask this question not only because of the references in his speech but because of the use of the expression "social welfare programs" in the amendment he desires to move. In my mind this involves the whole question of relevancy.

Mr. Baldwin: Mr. Chairman, I think I made the distinction that there was a difference between the welfare of the people and social welfare as that term has been used. It

may well be that certain types of social welfare programs in the final analysis have a beneficial affect on the welfare of individuals. The point I was trying to make and express in my amendment was that you must take the whole impact of this program on a price structure and a priority basis. A distinction can be made at times between a social welfare program and the welfare of the people generally. The whole picture has to be taken into view.

Mr. Barnett: The hon. member has not dealt with the question whether he makes a distinction between a social welfare program and a social insurance plan.

Mr. Baldwin: I do not think there would be a great distinction in relation to the amendment I moved.

Mr. MacEachen: Mr. Chairman, I rise on a point of order. Do you wish argument at this time?

The Deputy Chairman: I shall put the amendment to the committee. It is moved by the hon. member for Peace River that:

> The said act shall not come into operation until such time as the Economic Council of Canada has made a report to parliament and to the government as to the relative priority in terms of time and capital to be assigned to present and proposed social welfare programs and such other measures as are required to develop productive capacity to provide for these and other requirements of the people, the said report to be made by July 1, 1967.

The Chair would like to have the assistance of hon. members in order that a decision can be made as to the admissibility of this amendment. It must be relevant to the resolution before it can be admissible.

Mr. MacEachen: Mr. Chairman, the motion before the house reads as follows:

> That it is expedient to introduce a measure to authorize the payment of contributions by Canada towards the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

The question before the house is whether it is expedient to introduce such a measure. The amendment in its present form does not relate to that motion because it states in part:

> The said act shall not come into operation—

There is no connection in that regard with the motion now before the house. I do not think it is necessary to go beyond that simple point to demonstrate the inadmissibility of this amendment, because the simple connective tissue has not been provided to link the two. We are dealing with a resolution and not with an act. The form of the amendment is deficient. I do not wish to go beyond that in this argument.

Mr. Barnett: Mr. Chairman, I should like to make one or two comments on the question of the admissibility of the amendment. As I understand the proposed motion, it says it is expedient to introduce a measure. In my understanding that has always meant it is expedient to introduce a measure which will in fact be an act of parliament. It appears to me that in this practical sense the proposed amendment is a direct negative of the resolution put forward by the minister. It states in effect that it is not expedient to introduce a measure for the purpose of assisting in provincial medical insurance plans until certain other things have taken place. Therefore it cannot properly be attached to the main motion as an amendment inasmuch as the passing of it would negative the original motion.

Mr. Olson: Mr. Chairman, I do not have a copy of the proposed amendment before me, but I am afraid I cannot accept the argument advanced by the minister to the effect that it is irrelevant because it refers to an act whereas the resolution refers to the fact that it is expedient to introduce a measure.

Any measure that follows a resolution is a bill and once a bill is passed it becomes an act. I presume the hon. member for Peace River is trying to use a word that would properly describe what would in fact result if the proposed measure were passed. He wants the government to wait until the Economic Council of Canada has made a report to parliament and to the government as to the relative priority in terms of time and capital. He has stated that by that time, if there is to be no interference with the passage of this resolution, measure, bill or act, it would in effect be an act.

I am concerned about another aspect regarding the propriety of introducing an amendment of this kind, notwithstanding the fact that I personally agree with the purpose and purport of the amendment. It seems to me that it is in effect an exercise in futility to adopt a resolution and then a bill, winding up with an act, if that process is dependent upon a report from a body other than parliament. It seems to me that it is the responsibility of parliament and the government to gather whatever information they require prior to passing an act, and I am not sure of the propriety of any act of this parliament being

dependent upon the opinion of any other body, even one of the eminence of the Economic Council of Canada.

• (6:50 p.m.)

The Deputy Chairman: Order. With regard to the relevancy of the amendment now before the committee, it seems to the Chair that the amendment goes beyond the provisions of the resolution. Therefore it would appear irrelevant to the resolution and as such the amendment would be out of order. May I also suggest that the amendment fails on other grounds in that it is declaratory of principle and is in the nature of a reasoned amendment. The authority for this ruling is to be found at page 798 of May's seventeenth edition, chapter XXIX, headed "Expenditure: Financial Resolutions. Procedure in Committee of the Whole House on Expenditure." The paragraph headed "Scope of Debate on Resolution" reads as follows:

> Debate in committee on a financial resolution is confined to the terms of the resolution itself and must not be extended to the related bill.

The next section, headed "Procedure on Amendments", says:

> The approval or the reduction of the expenditure under consideration, or an increase in the stringency of the terms and conditions of the charge thereby created, are the matters specially entrusted to such a committee, and to these objects amendments are directed.
>
> An amendment proposing to substitute for the resolution an argumentative justification for the refusal of the demand is out of order—

On these grounds I regret that I must declare this amendment out of order.

Mr. Davis: Mr. Chairman, first I should like to congratulate the minister and the government for bringing forward this very important measure at this time. I should particularly like to congratulate the minister because I think that in the relatively short time he has held this office he has done a remarkable job.

Some hon. Members: Hear, hear.

Mr. Davis: A great many people in this country have been talking about medicare for a long time and have often been very glib about the subject. It is one which involves several jurisdictions, not the least of which is the provincial jurisdiction, and action in this connection tends to tread on many toes. The minister has effectively carried out his negotiations with the provinces. As a result of his efforts the provincial governments know where the federal government stands in this respect, and I am quite sure that the medical profession and many other people associated with the provision of health care in this country now have a much better idea of where we are heading than has ever been the case in the past. I am quite sure they have a much better idea, for example, than had the professional people in the province of Saskatchewan a few years ago when the previous Saskatchewan government's medicare plan was brought in there.

I want to concentrate briefly on some of the financial aspects of this plan, but first I would say that medicare, in the sense of this resolution and later the bill, rounds out the number of vital health care services which we badly need in this country. We had the health grants legislation back in the late 1940's. We had hospital insurance brought in by federal legislation in 1957. It has been eminently successful. One fact attesting to this is that close to 100 per cent, of the order of 99 per cent, of all Canadians are now covered in respect of hospital insurance.

We have had passed more recently under the present minister the health resources plan which will help to provide many of the professional people and, more importantly in connection with the present legislation, the doctors who will be required to supply the needs of the country in respect of physicians' services.

Now we have the medicare legislation to provide for the paying of doctors' bills throughout the country. There is an old saying that goes something along these lines: A man or a woman is really well off when he or she is healthy, wealthy and wise. Personally I would rate good health ahead of being wealthy. I suggest that good health also precedes being wise, because I cannot imagine a child who is suffering from some disease learning very well and I cannot imagine an individual of more advanced years who is suffering from some ailment being very rational or wise. So I think that in the order of priorities we are dealing with something that is vital, something which heads the list. I would disagree at least to this extent with the hon. member for Red Deer who suggested that education should come ahead of health, because I believe that the reverse order is probably true. Certainly as a matter of emphasis I would put health well up the list. I would even put it ahead of wealth and wisdom in the priority of things.

The minister has passed over this matter rather lightly but I have heard other speakers say quite often that health is a matter of

provincial responsibility. I do not want to agree with that conclusion. Indeed, I have yet to be convinced that health is a subject which is totally a matter of provincial responsibility. I tend to believe the contrary. I believe that because health is so important it is something which is to the general advantage of Canada. I have not found a specific clause in the British North America Act, our constitution, which says that the nation must have little or nothing to do with health, and I notice that we have a federal Department of National Health and Welfare which has survived under two different administrations. Therefore I suggest that health is to a degree at least an important federal or national responsibility.

This legislation is essentially financial in character. It deals with money. It does not deal, at least in any great detail, with the administration of a medicare plan. The administration in its depth and detail will be a matter for the provinces. This measure says in effect that the government of Canada, the representatives of the people of Canada here in parliament assembled, will collect from all the people of Canada a given sum of money every year and will distribute it equally to all Canadians. The government here in Ottawa will remit to each provincial government a given sum of money which reflects the population in that province.

The formula is arrived at roughly in this way. The sum total of all doctors' bills is properly checked out, properly accounted. They are totalled, divided by the Canadian population and a certain figure is arrived at. The estimate for next year is of the order of $34 per capita. The total doctors' bill for Canada is $34 multiplied by 20 million, being the number of people in Canada. That is $680 million as the total bill for next year.

The federal government, as I understand it, under the proposed legislation will pay half that amount, half of $34 or $17 per person, to the provincial governments. Each province will receive its population figure times $17 for that year. The province from which I come, with a population approaching two million, would therefore receive two million times $17 or close to $34 million, or about 5 per cent of the total national cost of medicare or 10 per cent of the total federal tax collection for and expenditures on medicare. Some provinces might find their costs a little higher than $34 on the average, some less, but they will receive $17 per capita and will have a genuine incentive to average out at around the Canadian average figure.

[Mr. Davis.]

• (7:00 p.m.)

They will indeed have an incentive to cut the cost. In some of the provinces, such as Ontario and British Columbia, where hourly wage rates, and other prices are higher, the figure may be above $34—maybe $36 or $40—but $17 per capita will come back to that province from the national treasury. This is a measure which, to some degree, spreads the wealth across the nation. It is a measure which collects from all of those who pay the federal income tax, the federal corporation tax, the federal sales tax, import duties and so on. It collects from those who can afford to pay and it redistributes the moneys on a per capita basis across the country. I therefore say it is a measure which, in some degree redistributes wealth across the nation.

That is as it should be, and I am quite convinced that the people of British Columbia, the people in my riding, who perhaps on the average are better off than the average Canadian, would go along with this legislation. They also recognize health care as being one of the top priority items in this country, if not the highest priority item. They are quite willing to pay according to their ability and to see these moneys distributed more in accordance with the needs of individual Canadians across the country, with the needs of those who are less fortunate, those who are ill, who suffer from accidents, and so on.

I would now like to say a word about rising costs, because a great deal of nonsense has been said about the extent of the increase of costs of medicare. We hear references to the fact that the bill for medicare in the United Kingdom has gone up five or six times since the end of world war II, since medicare was brought in by the Labour government in the late 1940's. This is true in dollar terms, but the cost of medical care, of physicians' services in this country has also gone up five or six times.

As I recall it, the national income of Canada at the end of world war II was around $12 billion; today it is over $50 billion. Our national income has gone up fivefold and the percentage of that income devoted to physicians' services has risen, not fallen. I therefore suggest that the total of all the bills collected by the physicians in this country has risen five or six times.

This is not wrong; this is as it should be. However, let us face the fact that in a country such as the United Kingdom an increase of

five or six times has its parallel in Canada which, so far at least, has not had a comprehensive prepaid medical care plan.

The Hall Commission found that, on the average, countries which were industrialized and enjoyed a reasonably high standard of living spent anywhere between 4.5 and 5.5 per cent of their national income on health services of different kinds. In 1961 the United Kingdom spent around 5 per cent, while we spent 5.4 per cent. It follows that without a comprehensive, prepaid medical care scheme we were devoting more of our national income to health care than were the people of the United Kingdom. Today our percentage is comparable to or higher than that of other nations such as west Germany, and the Scandinavian countries which have had such universal schemes in effect, not just for years but for decades. I would even venture to say that in the case of Germany this type of scheme has been in effect for nearly a century. We find that those countries were able to develop a medical profession which is among the best in the world and which performs services that are satisfactory to the people of those countries.

It is typical that as the income of the people rises, they spend more on medical services. So we should not be surprised to see the percentage devoted to medical care of physicians' services in this country rise over the next few years. However, there is a point beyond which, as people become more affluent, the percentage goes over a threshold so to speak. It begins to fall after people pass the $5,000 a year income level. By the time they get up to around $10,000 the share falls to 3 or 4 per cent. If all Canadians were suddenly propelled into the $10,000 a year income bracket, we would not be spending 5.5 to 6 per cent on health services, as we are currently doing, but a lesser amount. The prospect therefore is for an increase in percentage for some time, then a levelling off, then a decline in the payments.

I have noticed that the minister made some allowance for a sharp increase in the demand for physicians' services in the first year or two. This is in accordance with experience in other countries. Many people, 10 or 15 per cent of the population, are afraid of going to a doctor because of the bills they will encounter, or else they put off going to a doctor for so long that they never get to one at all. Under a medical care plan these people will be more inclined to go to a physician and have the benefit of his advice and his care.

There will therefore be an increase in the workload of the medical profession in this country. There is no point in trying to ignore this fact. The demand is there, the human factor is there, and surely as members of parliament will recognize, the need is there. If the medical profession is not adequately staffed today, and in some cases does not have adequate research facilities, hospital equipment and so on, then it is our responsibility to make sure that opportunities are given for training, the carrying on of research, and that the necessary facilities are provided for them. There will be a period of some difficulty; an increase in the workload is bound to cause some strain. But this is a type of strain which the great majority of the medical profession is not only prepared to accept, but is willing and anxious to meet to the best of its ability.

Not long ago I came across the brief of the Canadian Medical Association to the Hall Commission. It stated the following as the objectives of the doctors of Canada:

1. The highest standard of medical services should be available to every resident of Canada.

2. Insurance to prepay the costs of medical services should be available to all regardless of age, state of health or financial status.

3. Certain individuals require assistance to pay medical services insurance costs.

4. The efforts of organized medicine, governments, and all other interested bodies should be co-ordinated toward these ends.

These recommendations, which seem to fit amazingly well into the resolution we have before us—and I trust the legislation will be forthcoming—arise out of the predicament in which many individuals find themselves. You and I may well have experienced a situation such as this.

I wish to quote from a book which appeared some time ago written by Henry Richardson entitled "Economic and Financial Aspects of Social Security". It states:

Sickness is too uncertain and irregular in its onset and too variable in its severity for the cost to be met as it occurs out of the normal family budget. Provision can be made effectively only by saving, but many people do not make adequate savings individually, especially if their means are low, and young people may not have had time to save enough to pay for a severe and costly illness. Moreover, medical care is becoming increasingly costly because of the advances being made in scientific research and techniques. In consequence, the difficulty of paying direct for medical care has become much greater and will continue to increase. The remedy is for the risks of sickness to be pooled by the whole community and for medical needs to be met mainly by small regular payments from the family's annual budget.

I should now like to refer to some of the benefits. The Hall Commission considered this matter, but I am sure the Economic Council also, if the hon. member for Peace River had been successful, would not only have investigated expenditures but would also have looked into the benefits which would result from better and improved medical care. They would have dealt with facts of this nature. On the average, roughly 2 per cent of our working force is absent through illness all the time. These people who are off for extended periods of time, if they had continued to be productive and had better care, could have, increased our national income by about 4 per cent. Even if we had an increase of half of one per cent, if we could knock the incidence of illness down by about 10 per cent—a half of one per cent relative to 4 per cent—then we could more than offset any possible increase in the cost of medicare in this country. So the Economic Council, working out the benefits and costs, I am quite sure would come down on the side of an effective prepaid medical care scheme in this country. In other words, I feel a careful economic appraisal would result in a verdict in favour of the introduction of medical care.

• (7:10 p.m.)

I have referred to the fact that on a number of occasions the minister has underlined the fact that administration is by the provinces, that the details are up to the provinces. The provinces will receive their per capita payments annually. They will collect their own taxes and perhaps will collect premiums as well. The sum total of these revenues will pay the doctors' bills and the provinces will be responsible for the payment of those bills.

There are four important conditions which have been repeatedly stressed by the Prime Minister at federal-provincial conferences and by the minister on a number of occasions. These are conditions attached by the federal government before federal money will be available to the provinces. They are simple, but they are very important. The first concerns the scope of services available. All doctor's services should be available to all Canadians who rely on this type of support, that is all physicians' services must be available to those individuals participating in this plan. This is No. 1.

The second point is that there will be universal coverage, that is, universal in the sense of 90 per cent, originally, and 95 per cent after a period of years. I think that if our experience in medicare parallels our experience in hospital insurance, this figure will move up toward 98 per cent or 99 per cent. The reasons will become more obvious as we gain experience with this program.

The third point is that the programs must be publicly administered by the provinces. Those provinces may have a variety of schemes. I think this is co-operative federalism working at its best. The federal government agrees to attach a minimum of strings to moneys of this kind, but the strings or conditions are vital to a successful scheme. They involve a minimum of federal direction and they involve a minimum of inconvenience to the provinces, as well as a maximum of flexibility to improve the efficiency of the scheme.

The provinces must take full responsibility themselves. As I understand it, what is meant by public administration is that there must be a minister of health in the province. He and his department must take full responsibility for the soundness of the schemes, whether there be one province-wide, government administered scheme such as presently exists in Saskatchewan, or a multiplicity of schemes which involves one substantial government plan and a variety of other plans. As I understand it, the condition attached is that these additional plans, which may be loosely referred to as private plans, must be in the nature of non-profit operations. They will be thoroughly scrutinized and, in a sense, licensed by the provincial authorities.

Obviously, the doctors' non-profit plans will qualify. I have not discussed this with the minister, but I believe some of the big insurance companies schemes would also qualify, if they are not making a profit? As I understand it, insurance companies have often used medical care insurance as a loss leader to attract attention of the community to their other services. If in fact, they are offering this type of service, I cannot see why they would not qualify as a non-profit operation.

The Deputy Chairman: I regret to interrupt the hon. member, but the time allotted for his speech has now expired.

Mr. Davis: I wonder if I could have one or two more minutes to conclude?

The Deputy Chairman: Is it agreed that the hon. member may have a minute or two more to complete his remarks?

Some hon. Members: Agreed.

Mr. Davis: I was talking about the private carriers operating as non-profit organizations, in the economic and financial sense of the word. I think it is desirable, and in some provinces I would like to see what these other agencies can do. I should like to see what private insurance companies can do from the standpoint of a non-profit scheme. I noted that recently the London Life Insurance Company, for instance, took the contract for Physicians' Services for the civil service of Ontario away from P.S.I. They took it away from P.S.I. because they had lower costs; they were better organized and they used the latest data processing techniques. Because of their lower costs they made a more attractive bid to the government of Ontario.

I can envisage in this country the possibility of certain provinces having provincially run schemes, and other provinces with a variety of public and private agencies. This flexibility is desirable. If the private agencies are inefficient, they are going to lose out in competition; they are not going to quote the best prices and they are going to be ignored. In any case, I am prepared to take that chance. I think this is a flexible approach, and I believe it is a highly desirable one.

I should have liked to go on at length about the freedom of the individual to choose his doctor, to work wherever he wants in this country and still benefit under the plan. I should have liked even more to talk about the freedom of the doctor to accept any patient or to deny services to that patient. This is the program, as it is evolving, at least in so far as our federal stipulations are concerned. It does not interfere with the doctor in the way the program in the United Kingdom and some other countries does. It does not require a doctor to go to a certain area, to have a panel to serve. It does not limit his freedom in that important sense. He is in no way a civil servant. He is a professional, completely on his own, as he has always been. He may have fewer problems collecting his bills, but I cannot think of any great difficulties he is likely to encounter. Indeed in the remarks made by a number of my doctor friends, some of whom are very vocal and some even hostile, I find a situation similar to that which I encounter when I talk to some of our separatists: They have a problem, but they will not tell us what the solution is. They will not tell us how the constitution can be changed, but they have a problem. Many of those inside and outside the medical profession who are concerned with these imaginary problems will also find that they will disappear when this legislation is implemented.

Mr. Brand: I have listened with a great deal of interest to many of those who have taken part in this debate. I have listened to the hon. member for Coast-Capilano assure the medical profession that they have nothing to fear, that they know exactly where they are going. I suggest to the hon. member that he get together with the Minister of National Health and Welfare to straighten out exactly what their views are, because I distinctly heard the minister say, in relation to the scope of the benefits, that the government was going to see that all the services provided by the physicians were insured services. He went further to say that they were going to insure the availability of physicians' services.

If hon. members do not believe that is a problem, then they do not know what went on in Saskatchewan just a few years ago, when an amendment was introduced to the medical care insurance act of that province which, by insuring the services of physicians, effectively denied physicians the opportunity to practise medicine properly. This is what the fight was all about; and if the minister does not know this yet, I think it is about time he looked into the situation a little more carefully, before making statements to the house.

• (7:20 p.m.)

I say at the outset, Mr. Chairman, that despite this mistake—and I hope it is that, which has been made by the Minister of National Health and Welfare—I concur wholeheartedly with the suggestion implicit in the resolution of federal contributions to help pay part of the costs of medical services incurred by provinces pursuant to any provincial medicare program.

I note, coming to another point, that there is nothing in this resolution which indicates whether or not there has been any change in the attitude of the government—and I have heard various views on this tonight—toward the four provisos that the minister previously indicated would be included in the medical care legislation. That change in attitude has to do with the provinces themselves. It is of the utmost importance, Mr. Chairman, to every province in Canada to know exactly the stand of the Canadian government as to which province will or will not be able to

participate in this shared cost program. Despite what the minister says, this is ambiguous.

My own province of Saskatchewan has of course met these four provisos, and we will welcome any additional moneys from the federal government. I am sure that that will allow the government to do away with the direct tax it presently has, and make this program free—if one puts those words in parenthesis—to the people of Saskatchewan.

While we are not so naïve as to believe that medical care will be free, as suggested, we think that the distribution costs will be made on a more equitable basis, since it seems that the federal government's share of the cost can allow the Saskatchewan government to eliminate the direct tax it now imposes. I believe that this direct tax, which is easily paid by those in a position to do so, is not so easily paid by some who are neither within the ambit of social aid assistance, nor high enough on the income scale to permit payment of this tax without hardship.

Much has been said, however, by the minister and by members of the other parties as to what effect provision of medical care on a universally available basis will have on the health standards of Canadians. Much has been said about the supposed opposition of Canada's medical profession to the proposed implementation of universal medical care. I should like to discuss both these statements in some detail and clear up, if at all possible, many of the misunderstandings which have arisen regarding the stand of the medical profession.

Page 2, volume 2 of the Royal Commission on Health Services contains a quotation from the Canadian Medical Association brief submitted to the Royal Commission on Health Services in May, 1962. In this brief the C.N.A. said:

> —insurance to prepay the costs of medical services should be available to all regardless of age, state of health or financial status.

Commenting on this statement the royal commission said, on the same page:

> —it is clear that this policy intends that every Canadian will have or will be entitled to have prepaid coverage enabling each and every one to seek the services of a physician and to receive the services which in his physician's judgment are required.

I point out to the minister that you do not insure services, and I draw his attention to the famous statement made by the hon. member for Burnaby-Coquitlam in regard to insuring services when he was asked that question during the medical care crisis in his province. He said that you cannot insure physicians' services because, as he said: "You can no more lead a horse to water and make it drink than you can take a doctor and make him practise medicine." Despite the fact that he had to eat those words later, I think the meaning is clear to us today.

It seems clear to me that this statement, which is supported by an overwhelming majority of Canadian doctors, is unequivocal and clearly indicates support for a program of prepaid medical care for every person in Canada. It should be noted that this brief was submitted to the royal commission prior to the culmination of the difficulties in Saskatchewan in July of 1962 when despite what is said by certain individuals and politicians, the battle was joined there, not because of opposition to prepaid medical care but because of opposition to what we sincerely believed was an attempt by a provincial government to control the medical profession. I know that there are those who take issue with me in this regard, and they are entitled to their interpretation. I think, on the other hand, conversely, that I too am entitled to my views on this matter.

You may wonder, Mr. Chairman, what application these remarks have to the resolution before the house, but I believe that it is essential to the understanding and application of the resolution that there be a clear knowledge of what pitfalls and stumbling blocks must be avoided by the government in order to bring in the proposed legislation in an atmosphere of reasoned understanding.

As I have said, many attempts have been made to claim that the doctors were opposed to prepaid medical care. I have heard on public platforms and in the news media deliberate distortions which indicated that doctors were opposed to this because the income tax would find out how much money they were making, or that they would make less money under a medical care scheme. I have even heard a prominent former member of this house claim that the doctors were afraid of prepaid medical care because the standard of medicine was so low in this country, and we did not want anybody else to find out about it.

What are the facts? I should like to refer briefly not to what socialist governments, not to what governments bent on welfare statism have done, but to what individuals and doctors have done to bring about programs of prepaid medical care.

In 1929 the medical profession pioneered in Saskatchewan the free treatment of tuberculosis. Sanitoriums were set up under a system of private enterprise, with the municipalities supporting the scheme on a per capita basis. In 1931 the profession co-operated with the government, establishing diagnostic and therapeutic cancer clinics available to all at a modest fee. This fee was eliminated by the way under the Liberal government of Saskatchewan prior to the socialists gaining power in 1944.

For many years our country areas were serviced by a local tax-supported municipal scheme. This was pioneered by a citizen of Saskatchewan, Mr. Matthew Anderson, reeve of the municipality of McKillop, in Bulyea, and as a result of his singlehanded action and laudable persistence, an act respecting medical and hospital services in municipalities was assented to in the Legislature of Saskatchewan on April 1, 1939. It may be of interest to some of my friends on the left to know that this included hospital care, medical care and necessary medicines and appliances furnished upon prescription. It seems to me that no mention is ever made by those of socialistic persuasion of the very effective and useful efforts of this private citizen, who operated in a milieu of private enterprise to see that the rural areas were very well served indeed.

A great need still remained in our cities and large towns. To fill this gap the medical profession of Saskatchewan between 1934 and 1938 organized several voluntary non-profit prepaid medical care plans. Much was said during the medicare struggle to the effect that these doctor-sponsored plans were making a great deal of money at the expense of the people of Saskatchewan, despite the fact that they were incorporated under the co-operative assistance act of Saskatchewan, were completely non-profit, and were owned completely by those who took out membership in them.

Despite what we had in this field, there were still gaps in medical care, particularly with those low-income groups who did not qualify for social aid and still could not afford the low premiums of the voluntary plans. So it was that in 1941 the Saskatchewan College of Physicians and Surgeons, in co-operation with the government of the day, set up a continuing committee to consider a universally available province-wide health insurance scheme. Despite these overtures by the medical profession, nothing was done, and in 1944 the C.C.F. government came into power in Saskatchewan. The medical profession offered its co-operation to this government and as a result, in 1944, medical coverage for old age pensioners, the blind, and indigent widows with families was established.

• (7:30 p.m.)

At the outset this plan was subsidized up to 60 per cent by the medical profession. Hospitalization in that province is a matter of record. Our profession continued to press for an extension of the proposed health insurance scheme. Many meetings were held with the minister of health and with the premier of the province, now the hon. member for Burnaby-Coquitlam; but it was not until 1950, if I remember correctly, that he gave up his cabinet post and Hon. T. J. Bentley took over as minister of health. Following this, the college received a letter stating that no further discussions or negotiations would be held at that time. That was the situation in Saskatchewan. We never hear this from the other side of the fence at all.

We felt they were waiting to find—if I may use this word; it appears in the resolution before us—an expedient time to introduce a bill into the Saskatchewan legislature. I do not know how many hon. members know what "expedient" means, but I took the trouble to look it up. Here, in the Concise Oxford Dictionary, it says "politic rather than just". I leave this to the imaginations of hon. members.

The hon. member for Burnaby-Coquitlam said the reason they did not bring in a program was that they did not have the money. I accept this view; it is perhaps correct. But this does seem to fly in the face of the contention expressed today by members in that corner of the house that medical care really does not cost any more money, since you are merely taking the amount presently being spent and distributing it among the whole citizenry, giving more equitable coverage.

However, our voluntary plans went on. They covered almost 40 per cent of our population. Taking this percentage along with municipal coverage, coverage of old age pensioners, the blind, widows, mothers' allowances, workmen's compensation, cancer clinics and so on, only 10 per cent of our population had no assistance with their medical bills.

That is interesting, I would think. What happened next? Well, into this improbable

situation, medicare was introduced. I shall not take the time of the committee now by telling the long and dolorous story of what happened over the next few years. Certainly the lack of communication between the medical profession and the government of Saskatchewan was very like the failure of communication surrounding the "Seven Days" crisis within the C.B.C. Nobody seemed able to get together with anybody else, and I think the reasons were the same as those which the hon. member for York East mentioned the other day when he was discussing the "Seven Days" affair—it was management, rather than the other group, which was causing the trouble.

Eventually a commission under Dr. W. P. Thompson was set up to study not only the question of a medical care plan as originally proposed, but the entire health needs of the province of Saskatchewan. The commission continued its hearings on into 1961. A campaign was mounted against the doctors, and people were made to believe they were against a medical care scheme. The government was re-elected. Hon. members know the rest of the story.

But it was in 1961 that the Canadian Medical Association approached the then prime minister of Canada, the present Leader of the Opposition, and urged him to set up a Royal Commission on Health Services. This has been said before, but it is worthy of repetition: It is as a result of this commission on health services under the chairmanship of Mr. Justice Emmett Hall that the present resolution is before us today.

I have mentioned previously the effect of insuring physicians' services and the iniquitous type of legislation which was brought in in Saskatchewan. A large number of doctors withdrew their services. We did not go on strike. If we did, the Labour members who sit on my left may wonder how we could have a strike and continue to work.

Nevertheless, medical care continues in Saskatchewan. I am not claiming that all the blame was on one side. Most of it was, but not all of it. The doctors themselves, under great emotion, said and did things which they should not have done; but I still believe, and they still believe, that our stand was basically a correct one and I should not like to see a repetition of these tragic events in any other area of Canada.

As a result of this attempt to insure the services of physicians, much was said about the deterioration of medical care under a medical care scheme. The Hall Commission and the present Minister of National Health and Welfare seem to feel that implementation of a medical care plan will not affect the quality of care, nor will it be a burden on the present facilities, and indeed the Hall Commission on page 9, volume 2, of its report, states as follows:

> We can hope therefore that the introduction of universal insurance in Canada will reduce our present losses to the United States, and will result in Canada becoming self-sufficient as the new medical schools are established and existing schools expanded.

I mentioned earlier what happened in Saskatchewan. I think it is worth mentioning again, however briefly—I was thinking of the medical school at the University of Saskatchewan—that instead of producing more graduates, we produced fewer. In the three year period from 1957 to 1959, a total of 289 new entrants was recorded in Saskatchewan and 121 of these were graduates of Canadian schools, for a percentage of 42. During the three year period 1963 to 1965, there was a total of 399 new entrants, 91 of whom were Canadian. This is a percentage of 22.8, a substantial decrease. We are experiencing a steady loss of Canadian graduates; instead of getting more, we are getting less.

I wholeheartedly agree with the remarks of the hon. member for Simcoe East about the loss of Canadian doctors. I think this is a serious matter. The total number of doctors in our province has, of course, increased—due to the greatly increasing numbers of doctors from Pakistan, the United Kingdom, Taiwan, India, North Korea and the Philippines. I am disturbed, not because I question the qualifications of these doctors, but why should we take doctors from countries which themselves face an acute shortage of qualified physicians? We must do something about producing doctors ourselves. It is easy to say that everything will be lovely in a few years time—"Wouldn't it be luverly?"

I am glad hon. members opposite think so, and I hope they are right. It is true that in Saskatchewan there has been an 11 per cent increase in the number of doctors following medicare, but still we do not have enough. The ratio is about one to 1,007, well below the national average and significantly below British Columbia's ratio of one to 758, and Ontario's one to 776. If the ratio is bad in Saskatchewan, what will happen in the Maritimes where the ratio is between one to

1,000 and one to 1,300, and in Newfoundland where it is one to 1,991?

These figures refute the contention that the introduction of medical care will solve all our problems. Should I remind the minister again of his statement in Halifax, where he said it would take 20 years to increase our dentist population by 5 per cent? Yet on the basis of the figures I have given this committee the minister apparently feels that without difficulty we can increase the doctor population by between 10 per cent and 15 per cent in one year. I know it cannot be done. I should like to hear what the hon. gentleman has in his mind.

I would remind hon. members briefly of the priorities suggested. Perhaps I may quote again from the Report of the Royal Commission on Health Services, where the following statements are made on page 1 of volume 2:

> We consider quality as the most essential element in health services and every aspect of the programs must be constantly directed to that end.

Not just a second thought, to fill in the gap between organizational methods and the payment of physicians.

• (7:40 p.m.)

A few lines further on they say:

> Quality depends primarily on the supply, availability, knowledge, skill, and dedication of professionally qualified personnel, secondly on the facilities at their disposal and thirdly on the organization of the services.

Those are your priorities, first supply, second facilities, third organization. The hon. member for Burnaby-Coquitlam agrees with me because as reported in *Hansard* of April 6, 1965, at page 50 he said:

> There are some provinces who have an adequate number of doctors in ratio to their population and who, very quickly, could qualify for medical care . . . Some provinces would take longer to qualify.

You bet your sweet little life they are going to take longer to qualify. We in this profession will provide the knowledge, the skill and the dedication, and the health resources fund will go a little way to providing the facilities. But what is the minister going to do about the supply of doctors? What about the manpower policy—

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Continue.

The Deputy Chairman: Is it agreed that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Brand: I thank hon. members for the courtesy of allowing me to continue, and I shall finish in another couple of minutes. I want to remind the minister about the manpower policy recommended in the Hall Commission report. What is the government doing about that recommendation that urges the Association of Canadian Medical Colleges to set up departments of general practice in the teaching hospitals, and chairs of general practice in the faculties of medicine?

What are we doing to ensure the continuing training of the general practitioner? I have heard conflicting views on whether this is a provincial or federal responsibility, views expressed from the opposite side of the chamber. Personally I think that once you step into this field you have a responsibility to provide that. The minister throws his hands in the air. Is that what he feels about this situation? Is that the way he is going to treat this serious problem? I sincerely hope not. I trust from a medical point of view it was more of a tic than a demonstration of anything else.

At page 259 the Hall report stated:

> In a world of specialists it has become important to review and re-define the role of the general practitioner—

I ask the minister to peruse the Hall Commission's statement in this respect at a quieter time.

It is axiomatic, and I am sure the minister would agree with this, that inseparable links to quality are the freedom of the health profession and the freedom of the public as potential patients. I am glad the minister spelled this out, although somewhat in a blurred fashion; but I am sure he agrees with the Hall report that these freedoms must be spelled out in the legislation and be safeguarded through organizational arrangements and mutual respect.

When I was speaking in the house on the health estimates I suggested that the government should reconsider its inflexible attitude toward those provinces which wish to proceed with medical care in a manner of their own choosing, since such care is primarily a provincial responsibility. No matter how the minister and the government may look at the matter, if they are intending to prescribe the manner in which medical care shall be carried out they are infringing on an area of provincial responsibility, in other words poaching on preserves where they have no right.

I believe each citizen of Canada has a right to obtain benefits for which he has paid, through the increased burden of taxation which is already beginning to kill the spirit of enterprise that should be an integral part of a young and robust nation such as ours. I would urge the government not to deny any citizen of Canada his right to a share of the tax moneys merely because provinces do not live up to the guidelines proposed by the federal government. Surely it is in the spirit of the Hall report to allow such provincial freedom of choice. Include the non-profit prepaid plans, as has been said, and you go a long way because you have trans-Canada plans which can fit in and allow portability.

Finally, the minister should remember that one of the priorities proposed in the Hall report was the free spirit of co-operation among all those who participate in such a plan. Medicare, dominion-wide, can be a success, but it should not be so at the expense of the rights and freedoms of the patient and practitioner alike.

This has been a stormy session and is almost coming to a close, but let us not add to the storm. Mr. Chairman, may I conclude by quoting from a letter written by Washington to Madison on November 5, 1786, which is taken from the Writings of Washington, volume 29, page 51:

> No morn ever dawned more favourably than ours did; and no day was ever more clouded than the present! Wisdom and good examples are necessary at this time to rescue the political machine from the impending storm.

Mr. Stanbury: Mr. Chairman, I take pride in being permitted to participate in this debate on the principles of the government's national medical care insurance plan. I am concerned that there are so few in the chamber tonight to listen to and take part in the debate, which is surely one of the most historic that will occur during this session.

I am proud to subscribe to the principles enunciated in the resolution and by the Minister of National Health and Welfare. As this is a time for stating one's position on the principle of the plan, I have been somewhat disappointed by the remarks from the official opposition, and to this point I am not yet sure whether it is in favour of this proposal in principle, or against it. I have the greatest of respect for the two hon. members who have spoken on behalf of the official opposition. I respect the concerns they have expressed on behalf of their learned profession, which is so intimately affected by this plan, but I am left in a bit of a quandary as to the position of the political party they support.

[Mr. Brand.]

I recall that in the recent election one of the planks in the platform of the Progressive Conservative party was stated in this way, and I quote from the Toronto *Daily Star* of November 6, 1965:

> The Progressive Conservative party will institute a system of medicare, based on a universal, comprehensive program of medical and health services for every Canadian, as outlined in the Hall Commission report.

Well, Mr. Chairman, that seems to be what is before us in this resolution; but on the basis of what has been said by official opposition spokesmen in this debate I am not sure whether that is still the policy of the Progressive Conservative party.

I note that the government of Ontario has not taken issue with the principles put forward by the federal government. I refer to a Canadian Press dispatch from Toronto which appeared in the Ottawa *Citizen* of February 3, 1966, the first paragraph of which says:

> Ontario did not say at the Ottawa meeting of provincial health ministers early in the week that the province disagrees with federal government proposals for a national scheme of medical care insurance, Health Minister Matthew Dymond told the legislature Wednesday.

An hon. Member: We are 80 per cent covered now.

Mr. Stanbury: Some hon. members undoubtedly feel that the Ontario plan has seeds of perfection in it, but the *Globe and Mail*, which is hardly a Liberal organ—

Mr. Winkler: Are you opposed to it? That is the question.

Mr. Stanbury: —said on January 29, 1966 that:

> The government scheme—

Referring to the Ontario government scheme.

> • (7:50 p.m.)
>
> —is likely to attract most of the high-users, because these must pay premium rates with the private non-profit plans that will continue to operate. If the Government scheme, as intended, remains actuarially sound, then these high-risk cases—who are frequently least able to pay—could eventually find themselves paying higher premiums than those in the private plans. If this inequity develops, it could only be corrected by bringing all under the government plan, or by subsidizing the plan from general revenue.
>
> Until the plan has been in operation for some time it cannot be known, either, if the proposed low-income subsidies will be sufficient to ensure that nobody is prevented by poverty from obtaining coverage.

Mr. Winkler: That is right.

Mr. Stanbury: This is the Ontario plan which the premier of Ontario suggests can be brought within the federal proposal, but which is hardly perfect under present conditions even in the judgment of the Toronto *Globe and Mail*.

Mr. Winkler: Is the hon. member opposed to that plan?

Mr. Stanbury: I am a supporter of a plan in the terms of the Hall Commission report, the kind of plan which meets the four standards set down by the Prime Minister of Canada as warranting the use of federal funds for its support.

Mr. Winkler: But you did not answer my question: Are you in favour of the plan or not?

Mr. Stanbury: I am not in favour of the Ontario plan as it stands today. I feel it has many weaknesses and should conform to the four principles which have been outlined.

Mr. Winkler: May I ask one more question.

Mr. Stanbury: Are you in favour of the present Ontario plan?

Mr. Winkler: Would the hon. member admit that those who require services receive them, regardless of the price of the premium?

Mr. Stanbury: Mr. Chairman, I presume from what the hon. member says that he is fully in favour of the Ontario plan.

Mr. Winkler: That's for sure.

Mr. Stanbury: Therefore he has no objection to the private insurers retaining all the group coverage and the government having the high-risk coverage to look after.

Mr. Winkler: So long as the people who need the coverage get it, I am in favour of it.

The Chairman: Order. The hon. gentleman is interfering, now.

Mr. Stanbury: No matter whether or not it is at the expense of the public and to the benefit of the insurers, apparently.

Mr. Winkler: That is a pretty weak answer.

Mr. Stanbury: The chief argument of the official opposition up until this point appears to suggest that they approve of medicare, but on the never-never plan. Their chief objection seems to be a lack of manpower. I should like to refer to a remark made by Sir Hugh Linstead, president of the International Pharmaceutical Association when he appeared in Canada recently. This appears in the Hamilton *Spectator* of June 9 last. He said:

> I know of no country, including the United States, where medical resources are sufficient for the population.

He added:

> All countries have to ration medical aid.

He suggested that medical facilities should be given with regard to need rather than to the ability of people to pay.

Surely that is the simple answer to the concern expressed by my hon. friends in the official opposition; that is, that you must surely provide medical services strictly on the basis of need and on no other basis. According to the Hall Commission, the only way that can be done is by a universal scheme.

The Prime Minister has been accused, I think by the hon. member for Red Deer, of political blackmail because he set down certain principles to which provincial plans should conform if federal funds were to be devoted to their support. I suggest these principles are perfectly reasonable and necessary. When he announced this policy in Toronto the Prime Minister said:

> We cannot impose policies and programs on provinces in respect of matters within their jurisdiction. And we will have to be increasingly careful in participating in joint federal-provincial programs in which all provinces do not participate.
>
> On the other hand, we will not forgo our right to make grants to provinces to help them in programs such as medicare which are provincially-administered; and our right to relate such grants to the acceptance of certain principles which, in our view, justify the expenditure of federal funds for provincially-administered schemes.
>
> It is then for the provinces to decide whether they wish to co-operate on this basis.

Mr. Chairman, I do not call that political blackmail. I agree with the Winnipeg *Free Press* which terms this approach an ingenious one. It is one, Mr. Chairman, which ensures that federal initiative will bring about as soon as possible the kind of national health service insurance plan which will be in the interest of all Canadians.

Mr. Winkler: By compulsion or choice?

Mr. Stanbury: By choice of provincial governments.

On this principle of universality with which my hon. friends apparently take issue, I think I can quote no authority which might

appeal to them more than Sir Winston Churchill who, when speaking more than 50 years ago, spoke of social insurance in its various forms as spreading the risks of life, and bringing "the magic of averages" to the help of the poor. This program will bring the magic of averages to the help of all Canadians. This program is being welcomed across the country. The Kingston *Whig Standard* of May 19 commented:

> Whatever the plan chosen by each province, Canada is now about to take a great and too-long-delayed step in social welfare. It can be taken for granted that the whole country will be covered by satisfactory medical insurance within the next year or two.

Well, Mr. Chairman, I am proud as a member of the Liberal party that I have had a part in bringing about this plan. I am proud that we now have a government which is prepared finally to bring such a plan to fruition.

Hon. members will be aware of my particular interest in education. I am grateful that education shares with health a position in the consideration of this government as a matter of top priority. No former government has invested so much in education, or shown such constructive concern in this other field of primarily provincial jurisdiction but of such vital national importance.

Mr. Justice Emmett Hall, the chairman of the Royal Commission on Health Services, has laid to rest the argument made by some hon. members, that because of the demands made on governments by education we should put off indefinitely a national medicare insurance plan. Mr. Justice Hall declared in Ottawa last November:

> "There cannot and must not be any question of conflict or of priority between the needs of better education and good health."

He pointed out that medicare calls for an annual expenditure of about $600 million, of which half would be raised by the federal government and half by the provinces. He said that in 1961, according to estimates made by the Hall Commission, Canadians spent $383 million for physicians' services and $72 million for the administrative cost of private health insurance plans, and that these figures have no doubt increased since 1961; so that the actual increase to the public as a whole should not be above $100 million annually. It might be pointed out as well that last year there was an estimated loss to our economy through illness of $1,630 million. A great deal of this loss might well have been prevented had there been an adequate medical insurance plan in existence.

• (8:00 p.m.)

An editorial in the Toronto *Star* of December 1, 1965 came to this conclusion:

> If public health and higher education are thought of as investments rather than as burdens, the question is not whether Canada can afford to have medicare and increased aid to universities but whether it can afford not to have them.

During this session the government has committed massive funds to both health and education. We have observed some memorable legislation. We have had the Canada Students Loan Plan extension measure, which gave an injection of new funds to education; we have had the Canada Assistance Plan, which will supplement the Canada Pension Plan passed during the last session; we have had the government's announcement of vastly increased support for higher education, some of which has already been committed and more to be negotiated with the provinces in the fall. Recently we have had the health resources fund which laid the groundwork for the national medical care insurance plan, which we now have before us tonight.

I suggest that this resolution carries out the injunction of the Hall Commission report, which proposed that "as a nation we should now take the necessary legislative, organizational and financial decisions to make all the fruits of the health sciences available to all our residents, without hindrance of any kind".

Surely our people are the most valuable of Canada's resources, and their freedom and opportunity are surely the most sacred trust of government. The twin foundations of individual freedom and opportunity are our citizens' health and education—freedom from the catastrophes of illness and ignorance, both largely beyond individual control, and opportunity to live in good health and to pursue the abilities of the individual to the best advantage of his family and his country.

I am proud that the government which I support is moving forward strongly and resolutely with the construction of both these foundations of our individual freedom and opportunity—freedom from illness and opportunity to learn—and that these are being ranked foremost among our responsibilities to the Canadian people, not only of today but of tomorrow.

Mr. Dinsdale: Mr. Chairman, the hon. member who has just taken his seat posed a number of questions in regard to the stand taken by the opposition on this important

matter. I discerned a somewhat reserved reference to our stand. Let me assure him at the outset that a program of medicare for all citizens of Canada has long been one of the prime objectives of the Conservative party. Surely it is not necessary to press this particular point, because in the course of remarks that have already been made by spokesmen on this side we have demonstrated beyond a shadow of a doubt what our actual position is.

It should be remembered by all hon. members of the committee that what we are adopting by this resolution is largely the result of an excellent study that took place as a result of the initiative of the former Conservative government. The report that emerged from the Royal Commission on Health Services, better known as the Hall report, charted the course of comprehensive health care which, over the next few years, will ensure that Canada has one of the most progressive programs to take care of all her citizens of any country in the world.

It is not necessary to reiterate many of the statements made tonight and this afternoon. We are concerned about this health problem because, as has been indicated by several speakers, it is one of the major problems that Canada has had to face. The previous speaker mentioned the high cost of illness, amounting to between one billion and two billion dollars per annum. He also referred to the tremendous loss in terms of man days, amounting to $100 million per year. I merely repeat his observations at this time to underline the fact that we are dealing with a most important matter.

The amazing thing about this program is that it has taken years to develop. The minister in introducing his resolution took bows on behalf of his party for its initiative. He has been in this house about the same length of time as I have, and I am sure he will agree that activity in this field in the early 1950's was conspicuous by its absence. When the hospital insurance program was brought down in 1957 it remained for us to amend it in 1958, in order to make it possible for that step forward in health services to be made.

The minister now wants to ensure that we have a comprehensive health insurance program on the statute books by July 1, 1967, so the government can take all the credit derived therefrom. We certainly agree that the principle as outlined by the minister in his statement should be implemented as quickly as possible. I scarcely believe, however, that on the basis of past performance, at least during the 15 years I have been in this house, we are going to have a comprehensive and absolutely complete program in operation as early as the beginning of our 100th birthday.

• (8:10 p.m.)

I say this because, as everyone knows, and it has been reiterated several times, the type of medical insurance program that will be finally implemented in Canada will depend upon provincial initiative. I think the minister would agree with that. As a matter of fact the medical insurance programs that are operating at the present time in some of the provinces—indeed most of the provinces have some form of medical insurance —have been entirely to the credit of the provincial governments, and as I read the comments on the government's proposed scheme it seems to me that some of the provinces are going to jealously guard and protect the programs that they have already charted in this important field. This seems to be the case being made by the province of Alberta, for example. My own province of Manitoba has indicated that it does not agree with the program being enunciated by the federal government, and certainly the province of Ontario has uttered similar reservations.

Mr. MacEachen: Mr. Chairman, has my hon. friend read the speech made by the minister of health in the legislature of his province, stating that the government of which he is a member will be ready to participate in a national program on July 1, 1967?

Mr. Dinsdale: Yes, Mr. Chairman. The minister of health of the province of Manitoba is a personal friend of mine and I have not only read his speeches, I can assure the minister, but I have had personal conversations with him. I think the sort of response that Manitoba through its minister of health has made on this matter is typical of the progressive administration of that province. It is not going to take second place in this matter. At the same time he has on behalf of his government made certain reservations in this regard, as has the Premier of Manitoba, Mr. Roblin.

I am merely raising this point to indicate to the minister that while the target date of July 1 is a worthy and laudable objective, I hope he will continue his consultation with

the provinces so that the scheme contemplated by the federal government—we have not yet seen the bill so we do not know what the details might be; our discussion is preliminary to the introduction of the legislation—to be inaugurated next year will be carried out with a minimum of friction. I think it would be disastrous for social legislation of this kind if we were to enter into a period of provincial-federal bickering which has marked so much of the progress of the present Liberal administration in Ottawa during the past three years.

Here is a place where co-operative federalism, or consultative federalism might be used to the maximum advantage in order to ensure that the conflicting viewpoints of the provinces might be reconciled with the co-ordinating function of the federal government in so far as it is humanly possible to do so. While Manitoba has always taken a reasonable viewpoint in these matters—and I think that Manitoba, in the federal scheme of things, has established a reputation for being reasonable and moderate in all things—I believe the minister will agree that the position of the province of Alberta is a little more difficult and is something with which he will have to come to grips before the program can be implemented.

I am not going to deal with the principles that have been enunciated by the government in this regard, but I should like to make a few suggestions, which perhaps have already been incorporated in the bill to come before the house. It seems to me that if we are to come to grips with the problem of medicare on a comprehensive basis, we have to deal with three fundamental aspects of this question, the preventive, the therapeutic and the restorative. In medicine as well as in any other field of human activity, an ounce of prevention is better than a pound of cure. I think the minister will agree that so far as health services are concerned the educational function is the basic function in providing an adequate basis for the prevention of illness and disease. This is the priority that the government of Manitoba has constantly repeated in its representations on this matter.

When we come to the therapeutic aspect we must take into consideration that adequate therapy involves the treatment of the whole patient. I am not an expert or authority on these matters—we have already had some well qualified medical practitioners participating in this discussion—but I noticed a little cartoon in the week end newspaper which pointed out one of the difficulties of the practice of medicine at the present time. The cartoon depicted a group of doctors surrounding a patient, and one doctor was saying to the others, "Do you know, that was a very difficult situation. I was almost one half inch out of the area of my specialization." In other words, the science of medicine, the science of medical therapy has advanced to such a state of specialization today that sometimes we fail to take into consideration the fact, and it is a basic fact, that in any illness or disease the whole person is involved.

This brings me, Mr. Chairman, to an important aspect of illness which is not covered in any of the existing health schemes operating in any of the provinces, and that is an adequate approach to the problems of mental illness. It is becoming increasingly recognized by the authorities in the field that when a person is ill, the whole person is suffering from the illness, and the psychosomatic branch of medical science is only now emerging as perhaps one of the encouraging new developments in the field. Mr. Justice Hall in his excellent report makes a strong bid for the inclusion of adequate mental health care in any program of health insurance that will be brought before this parliament. He said there must be the removal of all discrimination in the distinctions made between physical and mental illness.

I trust that in the proposals to be brought forward by the minister and the government adequate consideration will be given to this fundamental aspect of therapy, even though it cannot be implemented on a comprehensive basis at this stage because the final initiative, as I have indicated, will rest with the provincial governments. I know several provincial governments are interested in this aspect and I trust that the legislation will make it possible for the provinces which are ready to move forward to seize the initiative in this regard.

• (8:20 p.m.)

There is just one other point which I should like to make. I do not want to speak at length because many of the points have already been covered and repetition at this stage should be avoided at all costs. However I do want to repeat that the Royal Commission on Health Services in outlining the health charter for this nation emphasized, as many of the provincial governments and many speakers in this debate have done, the

necessity for taking priorities into consideration. We are living in a day and age of specialization, and if we are going to have a co-ordinated program—and the essential function of the federal government is that of co-ordination—we must provide, as the Hall Royal Commission has pointed out, for a health planning council so that we can avoid the hit or miss approach to the problem which has existed hitherto.

We must also expand the existing medical resources council which could perhaps be described as a health sciences resources council. All sorts of new disciplines have emerged in recent years in the field of health care.

The role of the social scientist has become increasingly important as has the role of the social worker. I wonder how many hospitals today are adequately equipped with social scientists, psychologists, sociologists and social workers so that the whole person and his problem can come under treatment? I would venture to say there are very few hospitals adequately staffed in this way. The advent of our national health program will immensely aggravate the problem. The program will create the need for proper hospital planning, specially trained architects and administrators to handle the specialized problems arising in modern hospital care, as well as statisticians to compile the data necessary in order to diagnose the problem adequately and then to treat it.

We heartily endorse this scheme. I also wish to express my admiration for the government's belief that this program can be launched successfully by July 1 of 1967. Many long years have been wasted. I hope, Mr. Chairman, that this is not a piece of legislation put forward in the spirit of the 60 days of decision. I am sure the minister appreciates the fact that before the program that he contemplates and that is recommended by the Royal Commission is initiated, much more careful consideration and consultation with the provinces in whose hands rests the initiative will be necessary.

Mr. Knowles: We of the New Democratic Party, Mr. Chairman, welcome this resolution. We are happy to vote for it and we hope the legislation which is forecast will commend itself to the house to the point that hon. members will realize that we should go as far as we can with it before we rise for the summer recess. As we get into a discussion of the details there will undoubtedly be some points on which we will have questions to raise and suggestions to make, but as members who have asked for this legislation through the whole of our political experience, we do not intend at this time to indulge in any carping criticisms of this legislation. I am sure the minister and other hon. members on the government side will realize that we would be something other than human if we did not draw attention to the fact that through all the years we have been in parliament we in this party have been urging legislation to establish health insurance or medicare for our people. However, I will not take time tonight to refer to all the occasions on which we have raised this matter but rather, out of the generosity of my heart, I will admit that the Liberals were advocating health insurance before our party even came into being.

Mr. MacEachen: That is the old 1919 line.

Mr. Knowles: I hear my hon. friend the minister referring to 1919 which was before he and some other hon. members on that side of the House were born. However, I do think that in fairness to the Liberal party and out of respect for the important platform decision which that party made in 1919, the book which records that historic decision should at least be seen in this chamber on this historic day. I tried to find some way under our rules in which it could be placed on the table of the house, but I could not find any rule under which I could do so.

Mr. MacEachen: By unanimous consent.

Mr. Knowles: Is there unanimous consent for tabling this historic book which records the fact that in 1919 the Liberal party took a stand in favour of unemployment insurance, old age insurance and health insurance?

Some hon. Members: Agreed.

Some hon. Members: Hear, hear.

Mr. Knowles: It is good to hear these hon. members who have been born since that day rejoicing in the fact that it has taken the Liberal party only 47 years to implement the plan that was drafted in 1919. It is good for the people of Canada that at last some action is being taken on this issue.

I may also say Mr. Chairman, that it is very interesting for us to hear our speeches coming back to us from the minister. It was really a delight this afternoon to hear all the arguments that we have used over the years to try to get the Liberals to move, now being used by the minister. He told us about the

social responsibility that rests upon Canada to provide for the health of our people. He told us that it would make good economic sense. We cannot object to these arguments because they are the arguments we have been using in this chamber for all the decades during which we have been here.

The minister also drew to our attention the fact that private insurance schemes fail to provide complete coverage for the people of Canada. He gave figures which showed that for all the good that might be said by some hon. members about private schemes, in the end there has to be a public scheme if all the people of Canada are to be covered. As I said, we are glad to hear the speeches we have made over the decades being pronounced in this house today by a minister of the crown advocating this legislation.

• (8:30 p.m.)

We have also heard another very important argument which we have used over the years, namely that a health insurance program does not involve an expenditure of new money to any great extent. What a health insurance program does is to redistribute the cost of medical care. This afternoon the minister gave us actual figures. He said that under the legislation it is anticipated that $680 million will be spent on medical care in the first year in which the plan was in effect. He pointed out, however, that even without this legislation we are spending $600 million for comparable services. After all, therefore, we are simply adding a total of $80 million to the amount of money the Canadian people are spending but we are distributing the cost by this legislation so that it will be borne by the people of Canada according to their ability to pay, but health care will go to the people of Canada according to their need.

This is a good. This is a great day. It is wonderful to have been alive in 1919 when medicare was proposed by the Liberals. It is wonderful still to be alive when it is put into effect 47 years later. I see the minister has borrowed the book and is looking it up. It is on page 205 of the report of the Liberal convention which met in Ottawa in August, 1919.

Mr. Macaluso: Oh, yes, we know about it. The hon. member has drawn it to our attention so often.

Mr. Knowles: My hon. friend across the way did not even know the book was in existence.

[Mr. Knowles.]

Mr. Macaluso: The hon. member referred to it so many times that I profited from his information. I learned about it four years ago, thank you.

Mr. Knowles: You are more than welcome. As I was about to say, I wish to echo for a moment the question put by the hon. member for Burnaby-Coquitlam this afternoon. It is good to know we are going to get this legislation; but when, is still a question that this house must face. I want to say, as urgently as I can, that I think the House of Commons should go all the way with this legislation before it rises for a summer recess. I think the bill should be passed through all stages.

The Minister of National Health and Welfare suggested that at least he would like to go as far as second reading. This is almost all the way; it would be approval in principle by the House of Commons. I want to say that in view of the kind of discussion that has taken place here today, in view of the differences of opinion that exist, I think the country has a right to know where parliament stands. I do not see how the provinces in this country can make their plans during the summer months on the basis of the debate that has taken place today. The provinces can make their plans only after the legislation has been passed, or certainly has had second reading, so that approval in principle is clear.

I want to suggest to the members of this of the whole committee that in asking the government to go all the way with this legislation we are not asking for something new. Hon. members know that I have been on my feet on orders of the day, or on "late shows", as often as I could during this session to try to get a commitment out of the government. We got a commitment. On three or four occasions the Prime Minister and the Minister of National Health and Welfare indicated it was the desire of the government to deal in full with this medicare legislation before a summer recess. References can be found in *Hansard* for June 1, June 22, and in several other places. I have the various clippings from *Hansard* on my desk, as a matter of fact.

I submit, Mr. Chairman, that if we do not get the legislation through at this time or at least get it approved in principle on second reading, the chances are slim of medicare being in effect on July 1, 1967. If this measure is not considered until the fall, I suggest that the debate we have had here today indicates the second reading debate will be a long one. Before you know it, it will be

Christmas and the provinces will not be in a position to pass complementary legislation. The suggestion that the legislation should go to a committee for study is a plausible one. However, Mr. Chairman, as a result of the studies that have been given to this matter in the last half century, surely we are in a position to act. I think of the various reports we have had during the years, such as the Heagerty report, the Marsh report, and so on. I think of all the work that went into the preparation of the green books that were presented to the federal-provincial conference in 1945. I think of an actual bill that was laid on the table of this house in 1944 or 1945 by Hon. Ian Mackenzie, then minister of pensions and national health.

All of these studies have been updated by the studies into health grants and hospitalization, as well as many departmental studies. We took this matter up in the estimates committee a few years ago and a very exhaustive study of it was conducted by the members of this house. Now we have had the Hall report, and members in all parts of the house agree that this was a tremendous study. There have been federal-provincial conferences galore, and I suggest that basically parliament is in a position to make up its mind on this question. I hope we will do it now so that the target date of our 100th birthday can be met with respect to this important question.

I said that we are in full support of this legislation. Any suggestions or criticisms that we might make would be with respect to the details. There are one or two to which I want to refer briefly. I note that the wording the Prime Minister used last July regarding the scope of the services to be covered seemed to me to be a little broader than the wording used today by the minister. Last July the Prime Minister talked in terms of all the services that might be required. The minister today talked in terms of physicians' services of all kinds. Then, he said, he hoped, in the not too distant future, he will be in a position to enlarge on these services.

This strikes me as imposing a limitation, at least in spirit, that was not contained in the announcement the Prime Minister made last July. I should like to suggest this to the Minister of National Health and Welfare. He had a great deal to say during the debate on the Canada Assistance Plan about the fact that there is no ceiling on the assistance or the welfare services in which the federal government will participate. I suggest that he should apply the same principle to this legislation. If a province wants to enlarge the range of insured services, the federal government should agree to that and should place no limitation on it, any more than it does on the assistance or the welfare services set out in the Canada Assistance Plan. I remind the minister also that on May 17 of this year, as recorded in *Hansard* at page 5213, he announced the government's decision to let medicare come into effect in any province that agreed to it without waiting for the majority of all provinces. We immediately approved of that stand, and we still approve of that position. It seems to me that consistent with that position, namely that a province that wants to come in can do so without waiting for the others, is the further position that if a province or two or three provinces want to go further than some of the others in the services that are to be insured, the federal government should go along with that position. We will develop this idea when we go into committee on the bill.

There is one other point that I think we will want to look at rather closely when we are considering the bill, and that is with respect to what is known as the third criterion. I refer to the one having to do with plans being provincially administered. Here, again, I detected a slight difference between the wording of last July and the wording of today. I was only slightly concerned when the minister spoke, but I was really quite exercised when the hon. member for Coast-Capilano spoke because he seemed to see in this wording a possibility of private carriers being included in the plan. I realize that the hon. member for Coast-Capilano does not speak for the government, but at least he has posed a question with which we will want to deal when we go into committee.

• (8:40 p.m.)

The time for this debate is limited and we are limited to 20 minutes, so I shall cut my remarks short. There are in fact just two more things I want to say, and I can say them briefly. In the course of this debate those who have been critical of this legislation have trotted out the word "priorities". They spoke about two other things that should come first. Last year when we were debating the Canada Pension Plan we had this same argument. People then were saying: We must establish priorities. Education and health were regarded by some speakers as matters that had priority over the Canada Pension Plan. Today, because we are dealing

with health, the people who were talking in this way are saying that education and pensions should take priority over health. I suppose if we had a bill to provide massive sums of money for education those same people would be saying that health and social security should have priority over education.

It seems to me, in a country that has a gross national product of $55 billion, in a country that has the affluence and the prospects of this country, that we do not need to talk about one or the other of these things. We have the money to provide social security, education, and health. Those who talk about priorities, as I see it, are attempting to slow down our work in this important field. I urge that we have the capacity to go along with all these important aspects of social welfare, and I hope that we shall do so without the kind of delay that we have had from the party opposite, which has taken 47 years to implement the three most important planks in its 1919 platform.

The other point I should like to make relates to the complaints that some people have made about the payments that will have to be made for medicare, even though it is clear that there will be no premium at the federal level, and even though it is clear that, for the most part, our medical services will be paid for out of general revenue. The point was made by an hon. member that this involves taxes, and that our people do not like taxes of any sort.

I know it is an old cliché, and it is an adage that everybody does not agree with, but I think it is true that taxes are the price we pay for civilization. I suggest if we must pay taxes for civilization, one of the aspects of civilization that is most worth paying for is the good health of our people. I urge that we do not keep finding these excuses for a slow-down with respect to this legislation, but that we recognize, as was said the other day by my leader, and as was subsequently said by others, that the best thing we can do to celebrate our one hundredth birthday, on July 1, 1967, is to have medicare in effect.

I urge therefore, Mr. Chairman, that this committee of the whole and this House of Commons act on this legislation in the light of its importance, that we get this resolution through, and that we proceed with the bill before we think of going home for a summer recess.

Mr. Munro: I could not help noting that the hon. member for Winnipeg North Centre kept referring to the Liberal platform policy which had been announced back in 1919. It seems to me, ever since I have been here, since 1962, that that has been the permanent line adopted by the hon. member for Winnipeg North Centre. I would point out to him how tedious it is to hear the same line day in and day out, and how refreshing it would be to hear something novel and original.

I think it will be well, before the hon. member talks about how long it has taken some parties to implement their policies, to remember that the leader of his party for almost 20 years was premier of Saskatchewan, before he brought in medicare legislation in the early 1960's. It would be well for the hon. member for Winnipeg North Centre to bear that in mind before talking of how long it has taken other parties to implement their programs. I do not think it is pertinent to discuss what some political parties might have done or said 30 or 40 years ago. I think the point to remember is that now we have legislation before us, and that we should get on with it and put it into effect.

That brings me logically to the position taken by the official opposition. It seems that they would prefer to deal with the initial stages of the legislation now, and then deal with the remainder of it, namely, second reading, if I am stating their position correctly, later. I find this a very difficult position to comprehend, especially when one looks at the stages that this program has gone through in the last three years, to wind up in the resolution before us today.

We had the royal commission—and a good commission it was—set up by the Conservative government between 1958 and 1962. That commission reported two and a half years ago, and it came out with its second volume less than two years ago. Following the publication of these two reports—actually it would be more accurate to say that the second volume came out one and a half years ago—the government launched an intensive study of its recommendations. After that the government took the initiative and put forward proposals at a federal-provincial conference in July, one year ago. These were the proposals setting down the four criteria which have been referred to frequently today.

That shows progress, I would say, that no one should be ashamed of. These reports had to be studied, and they were studied intensely. Federal-provincial conferences were called, and the first one of real significance was over one year ago when the four criteria were laid down which are contained in the

bill we have coming before us, and which have been submitted in this resolution.

There is nothing novel about the matter. Members of this house have been aware of this legislation, and of its nature, for over one year. We all have been aware of the royal commission report for well over two years. Why it should take any further mulling over, or why it should need any further time for discussion over the recess is hard to understand.

I would think in view of the royal commission's findings, in view of the ample material there available for all to study, in view of the fact that the principal ingredients of this resolution were laid before a federal-provincial conference over a year ago—ingredients which have changed hardly at all and which are contained in this resolution, and in this proposed legislation—we should be able to complete this legislation within a day or two. I would urge that that course of action be adopted. We should then have done something which we could be proud of accomplishing prior to recess.

I think now, Mr. Chairman, it would be appropriate for me to deal with some of the principal objections taken to this legislation. The objection you often hear, although it has not been referred to too much in this house today, is the objection to there being any target date. It has been suggested that setting a target date is unnecessary and unrealistic. With this I do not agree. Without target date discussions can drift, and it can be years before any progress is made.

Another criticism that is most often repeated concerns the universality of application of these proposals, and of the compulsory element that flows from such application. As has been mentioned, the government put forward four basic principles which it felt were prerequisite to the federal government sharing the cost. It has been argued in some quarters that one or more of these criteria should be deleted. One of the principal criteria to which objection has been made is that provincial schemes should be universal in coverage. Opponents of medicare argue that this principle is repugnant to a free society—that it involves compulsion and is not in keeping with a democratic society.

• (8:50 p.m.)

Mr. Winkler: Would the hon. member permit a question? I should like him to explain the statement he has made about universality and compulsion and tell us the exact position he takes. Are they similar, or is there a difference?

Mr. Munro: If the hon. member would listen to the remainder of my speech my position will become very clear.

Mr. Winkler: It will be difficult, but I will try.

Mr. Munro: I suggest that universality is an essential ingredient of any real medicare program. It underlines the basic philosophy of the Royal Commission on Health Services; it is also an element common to many provincial health, social and educational programs now in operation in the public sector of the economy. Elementary education, for example, is now universal—compulsory, if you like—as are vaccination and pasteurization. Yet I do not hear any strenuous objection from the other side in regard to these progressive measures.

Mr. Winkler: That is right; but you are not extracting a fee for those purposes.

Mr. Munro: At any rate, this is an objection I hope to deal with at some length. Amother objection one hears, and it has been raised by some medical associations, is that medicare will turn medical practitioners into civil servants. I do not believe this is so. A further objection—I heard it in this committee today—is that medicare will impose an intolerable burden on the economy, one which Canada is not ready to assume. I do not think that either the facts or the experiences of other nations bear this out.

A further criticism, and one which is related to the financial argument, is that medicare at this time is politically motivated and that it has been placed improperly on the list of priorities to the prejudice of other measures which are badly needed. Education is usually mentioned as a public need which has been forced to take second place to medicare.

The primary objection which seems to be worthy of mention is that medicare as presently envisaged by the federal government will severely prejudice the quality of medical services available to Canadians. This is an objection which the hon. member for Simcoe East stressed this afternoon. While I could not agree with many of his observations I felt his was a speech with real content, one which included many worthwhile suggestions.

I have outlined the principal objections here to the medicare proposals. I should like to deal particularly with the arguments of

those who object to universality. They feel it compromises freedom of choice—that it compels people to participate in the plan and is foreign to the tenets of democracy.

Surely it is necessary to introduce the principle of universality in any program which so closely affects the health and life of all Canadians. The voluntary approach would never result in everyone being covered. This is a proven fact. I should like to refer hon. members to some figures on this aspect of the subject. The very group which would not be covered by voluntary plans is often the group which fails to receive adequate and, all too often, essential medical care. Universality may lessen an individual's freedom from coercion, but for many, total freedom is enhanced; for many it is the key to the enjoyment of such fundamental rights as freedom from want and freedom from fear.

We talk of equal opportunity. How can we achieve this lofty goal when there are many who for lack of means do not receive adequate health care? How are these people physically able to participate fully in, and contribute to, society? How can they share in the opportunities afforded their more fortunate compatriots?

Mr. Winkler: Can the hon. member indicate what he is reading from?

Mr. Munro: I am reading from my own notes which I have prepared.

Hon. members may be interested in the results of a study of the Alberta plan. Examination of this plan shows that it fails by a considerable margin to achieve universal coverage through the voluntary method. As of May 1, 1965 the Alberta medical plan covered 831,268 residents of the province, or 57.3 per cent of the population. Other plans offering equal benefits cover another 118,981, or 8.2 per cent. Thus, together, these two elements which form the basis of Alberta's plan provided coverage for only 65.5 per cent of the population of the province.

Mr. Winkler: Would the hon. member permit a question at this point? I should like to ask him whether the people who need the service in the province of Alberta are getting it, and whether they are satisfied with it. That is the question which matters.

Mr. Munro: I would say that a very significant proportion of the people, a proportion in excess of 30 per cent, were without coverage as of May 1, 1965.

[Mr. Munro.]

Mr. Winkler: Do they all want it, or don't they? Is it available to them if they need it? That is all I want to know.

Mr. Munro: Mr. Chairman, I would very much appreciate the opportunity to complete my remarks.

Mr. Winkler: I want some answers to these questions.

An hon. Member: Make a speech.

Mr. Winkler: Yes, I will make a speech.

Mr. Munro: If the hon. member wishes to refute my contention I trust he will have the opportunity.

Mr. Winkler: I do not want you to mislead the people of this country.

Mr. Munro: I do not think the hon. member should worry about people being misled by this side of the house.

Mr. Winkler: You are good at doing it.

Mr. Munro: The figures are clear. Even including Albertans covered from various other sources, principally federal civil servants and those in the armed services, total coverage amounted to only 76.6 per cent. This means that one in every four residents of the province was uninsured.

The principle of universality, or compulsion, if you like, is not a novel one in Alberta or any other province; rather, it is an integral part of many of the province's statutes. The Maternity Hospitals Act of 1944 provided free maternity hospital care for women regardless of means, and was financed out of general revenues. All taxpayers, in effect, contributed to the scheme.

Before the present hospital insurance program was introduced, Alberta carried on this well established principle and financed its plan out of general revenue, rather than individual premiums which could be said to provide a greater element of individual choice. I suggest that hon. members who object to universality should consider the number of statutes presently in operation in certain of our provinces which apply this principle in the very area of health care.

• (9:00 p.m.)

If there is an element of compulsion in the medicare proposals, it certainly is not a novel one in Ontario or some other provinces. When we talk of health services we are not

talking of those goods produced and distributed on the basis of the open market system, a system where the voluntary element is circumscribed only by the dictates of price. We are talking of something much more than services which someone provides because he can turn a profit. We are dealing with services where, for a variety of cogent reasons, such considerations do not apply.

To raise the criticism of lack of choice and, at the same time, to limit it to medical services—one area in the whole health services field—is quite incomprehensible. If this criticism has any validity, should it not be equally applicable to the whole spectrum of health services?

By insisting on universality the federal government has gone a long way toward ensuring that Canadians will pay the most reasonable rates for medical coverage. The risk will be spread among all the people. In this connection I should like to refer to a comparison of rates under different schemes.

Many critics of medicare advocate that coverage be provided by private insurance companies and that these companies be subsidized to provide coverage for those unable to pay their own way. They suggest that private companies could provide this service at a fraction of the cost of the federal proposal. The facts do not bear out this contention.

Figures show that private plans pay out considerably less revenue on claims than do public sponsored plans. The Hall Royal Commission figures show that retained moneys, that is, money not paid out in claims, for private plans range from 38 per cent to a low of 18.5 per cent for a prepaid plan. This covers direct administrative costs, acquisition of new members, commissions, taxes, reserves and profits. In Saskatchewan on the other hand the retention ratio, free of reserves and profits, was only 6.39 per cent in 1963 and 5.81 per cent in 1964. From this comparison it can be seen that there will be a heavy obligation on provincial administrations to have these plans publicly administered.

Another objection in the summary of criticisms is the fact that doctors would now be relegated to the role of civil servants. Such an allegation is set out in a draft letter that the Ontario Medical Association sent to doctors throughout the province, asking them to sign it and send it their patients. I quote one paragraph from that letter:

I—

Referring to the doctor who it is proposed should send out the letter.

—am deeply concerned about Mr. Pearson's proposal because a compulsory, government operated medicare plan could adversely affect our relationship. I would become virtually an employee of the government, and would not be free to care for you and your family in the same way I have done in the past.

Such an allegation is simply not correct. It presupposes that the doctor will not be able to choose his patients; that the patient will not be able to choose his or her physician; that the doctor will not be free to practise where he wishes; that the doctor's fees will be arbitrarily set and that doctors will not have the choice to practise in or out of any government sponsored program. These are the faulty assumptions inherent in the draft letter.

Any provincial scheme can be implemented and qualify within the four criteria and, at the same time, guarantee the preservation of all the above rights, rights which are repugnant to any employee-employer relationship. It has not been suggested by anyone at the federal or provincial level that the doctors would not have the freedom of choice of patient, or the patient freedom of choice of doctor. It has not been suggested that the method of payment to the doctor would be on other than a fee for service basis.

It has not been suggested by anyone that there be any regulations governing where a doctor can carry on his practice. In fact, it has been suggested in the Hall Commission report that the fee schedule would be determined through consultation between the government and the recognized associations representing the medical professionals. How then can it be said that the doctor becomes a government employee or civil servant? How then can it be said that the government is interfering with the doctor-patient relationship?

The third objection is that medicare would place—

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Munro: May I have a few more minutes?

The Deputy Chairman: Is this agreed?

Some hon. Members: No.

The Deputy Chairman: I regret there does not appear to be unanimous consent.

Mr. Fulton: Mr. Chairman, during the course of his introductory remarks this afternoon the minister made a request which the committee, I am quite sure, will comply with, that the proposal he has submitted will receive the constructive and conscientious attention of the house. I trust therefore that if the attention that members give to his proposal, and to the statement he made this afternoon, gives rise in turn to some difference of opinion and criticism, he and the government will give those contrary opinions and those criticisms the same degree and kind of attention that the minister bespoke for his own proposal.

I am quite sure that a statement which would receive universal acceptance is that a proposal that prepaid medical services be available to all Canadians is a valid and desirable objective, and a proper objective for government to seek to accomplish. But I suggest to you, Mr. Chairman, that we as members of parliament cannot be carried away by a mere statement of objective and that we are still entitled, and indeed required to examine any specific proposal laid before us by the government, in this and any other field, in the light of certain criteria.

The two criteria which I suggest apply most particularly and forcefully here, and which we are bound to bring to bear upon examination of this proposal are these: First, how does the proposal meet the test of economic realism? How does it fit in with any realistic assessment of the priorities—and I make no apology for using that word—to be allotted to government objectives and expenditures? I hope the government will not take the position that it must rush blindly after all objectives that occur to it, without trying to assign some priorities among them.

And second, how does the proposal in question meet the test of constitutional propriety? I use the reference to the constitution here not from the sense or point of view of strict legal application—the question of whether or not the legislation is ultra vires or inter vires—but rather use the words constitutional propriety in the sense of the proper relationship between the two levels of government in Canada, and applying to the proposed activities of the federal government the test of whether or not they involve an unjustifiable intrusion by it into a field which properly belongs to another level of government.

[The Deputy Chairman.]

I suggest most strongly, Mr. Chairman, that on the basis of an examination of the government's previous announcements in connection with its medicare program, and an analysis of the minister's statement this afternoon, the proposal he has placed before this committee, and will place before the house, has very serious deficiencies with respect to both the criteria that I have suggested should be applied.

Looking first at the matter of the economic realism of the proposal, I suggest to you, Mr. Chairman, and to members of the committee, that what is involved here, when a scheme such as the minister has in mind is in full flower, will present a major distortion of the economy and of any realistic scheme of priorities.

• (9:10 p.m.)

Mr. Chairman, all welfare schemes and projects are desirable; of course they are. Anything that will contribute to the betterment of our people, to the better care of our health, to our needs in old age, or any other aspect of our lives as Canadians, is desirable. But it seems to me that as a growing, developing young country we must assign priorities to the problems which confront us. We must bear in mind that the federal government is not responsible for all aspects of Canadian life or all the welfare of Canadians. Nor are the resources available to the government without limit; and therefore it is prudent and proper in the interest of Canadians to insist that the federal government bring a measure of judgment to bear with regard to what its programs will be and on what basis it intends to carry them out, as well as the priority assigned to them.

At the moment, on the basis of proposals and commitments made by the government, we are faced with a vast increase in commitments for expenditures in respect of security measures. In respect of the Canada Pension Plan—the cost of which I have yet to see authoritatively stated—the estimated cost is at least $600 million per annum. We are apparently about to be committed to a medicare plan which at its inception, on the basis of the statement made by the minister this afternoon, will cost $340 million per annum out of the federal treasury. Recently we have had the Bladen report on the needs of education in Canada, much of which has been approved in principle and in respect of which a commitment in principle has been given by the Prime Minister. If implemented in toto its cost can reach an astronomical amount; the

commitments given will probably amount to some $500 million per annum out of the federal treasury.

So that on the basis of just those three commitments, in what I might describe generally as the field of welfare, at least $1,500 million—and I suggest closer to $2 million per annum—more has been committed to be raised by federal taxes and paid out of the federal treasury, than was the case just 18 months ago.

And that is in these three areas alone, leaving aside other real responsibilities of the federal government in such important and vital areas as our responsibility in the field of anti-pollution and de-pollution of our water resources. These increased costs are on the basis of present estimates and I suggest, Mr. Chairman, that we are entitled on the basis of past experience to assume that the estimated costs are well below what they will in fact turn out to be.

My view is that the government has no right or reason to enter into welfare schemes oblivious of the economic consequences. It has to consider whether there will be sufficient funds available for investment in our economic development and whether we will have to place further reliance on foreign investors for Canadian development.

Is it not a strange situation that here we have a present Minister of Finance and a former minister of finance of this government vying for the leadership of the Liberal party on the basis of the question of foreign investment in Canadian development enterprise. Both of them are committed to allowing this increase in expenditure on this kind of measure, which at the same time is helping to reduce the capital available in the pockets of Canadians for investment and which cannot help but increase our dependence on foreign capital. There is no consistency or logic in the government's position. For a government, some of whose spokesmen are crusading to, "buy back the Canadian economy," this is an odd position indeed.

With respect to the estimated cost of this program alone we already have seen a considerable escalation in the estimate. The government originally estimated the per capita cost at $28 to be shared equally by the federal and provincial governments. I understand it now estimates it at $34, an increase of $6 per head. In other words, within six months the estimated cost of medicare has risen by over 20 per cent.

Even the recent figures I believe are overly optimistic. In this connection it is interesting to note the experience of the United Kingdom, with their national health service. Their estimated annual cost of $510 million for the first year turned out to be $1,206 million and has risen steadily to $3,754 million despite the imposition of certain service charges. I suggest that on the basis of that experience, and our own experience, the minister has probably very seriously underestimated both the initial and future annual costs of the medicare program.

I suggest to you, sir, that we should be devoting our energies and our resources to meet the priority needs of the Canadian people and that those priorities really lie in the development programs which would aid in the creation of new jobs. If we concentrated on those, we will eventually reach the position where we would be able to finance even a universal medicare scheme.

I suggest that we take very special consideration of these things and that if we do not the consequences will be disastrous indeed, and if we are to give priority to any form of social measure, I say the priority should be given to education. Even in the field of medicare itself that is where the priority should be given now. In the field of medical assistance we should be providing funds so that we can produce the doctors, teachers and nurses so that we can staff our medicare program.

Mr. MacEachen: Would the hon. gentleman mind if I asked him to relate the matter of increased aid for old age pensioners to the problem of priorities.

Mr. Fulton: Certainly. We are asking that those elder citizens who are not taken care of under the Canada Pension Plan, should be taken care of. That is where the priority should have been given. In the matter of priorities in this field I would ask the minister to approach this matter with a sense of realism, but apparently that is a hopeless request.

Mr. MacEachen: Is my hon. friend now endorsing the $25 flat rate increase in the pension, in the light of the financial consequences?

Mr. Fulton: Mr. Chairman, my colleague the hon. member for Perth, placed on the order paper of this house and brought forward for discussion toward the end of last

week a proposal in this matter which logically and realistically sets out our position in the matter of the $25 increase in the old age pension. I commend it for the consideration of the minister.

• (9:20 p.m.)

On the basis of arguments and considerations I have so far brought forward I submit with all earnestness that the federal government has no right in the first place, and has no reason in logic or in responsibility, to impose this scheme on the provinces as the minister intends to do. I submit, rather, that the approach by the federal government to the plan of prepaid medical services in Canada should be to offer to supplement provincial schemes where there are gaps in the present coverage. Because I believe in matching criticism with constructive proposals I should like to put before the committee and the government at this stage a brief statement of principles upon which I think the federal government's approach to medicare should be based. I will summarize them as follows.

Any plan for prepaid medical coverage to which the federal government contributes should not be on a universal and compulsory basis, but should be based on the following principles:

One, that medical services, at an adequate level, should be available to all Canadians on a prepaid basis.

Two, that this being a field primarily within provincial responsibility, the federal government should not seek to superimpose any national, universal or compulsory scheme on existing provincial schemes.

Three, that the role of the federal government should be to extend to the provinces financial assistance to enable them to establish provincial medicare programs whereby prepaid medical care is available to all citizens at a fixed premium, or cost, but not to compel contributions to or participation in a scheme by those who are now covered adequately, or who are able and prefer to provide medical care for themselves.

Four, that all schemes of prepaid medical care, to qualify for federal assistance, should preserve the voluntary doctor-patient relationship.

Five, that beyond federal participation in such uniform programs to ensure availability of standard coverage, the provinces should be left free to expand or enlarge medical care schemes as they and their voters see fit, while the federal government should concentrate its efforts in the vital fields of encouragement of, and provision of resources for, training and research in medical, dental, nursing and other related occupations and facilities.

That, in my submission, Mr. Chairman, is a sound and realistic set of principles upon which federal participation in a program of medicare should be based. Such an approach would lead us to offer to the provinces help in a voluntary but universally available plan.

There are other statistics and considerations which argue this way as well. The 1964 survey on voluntary health insurance reported that more than 80 per cent of Canadians were covered then by some form of prepaid medical care. With the Ontario, Alberta and British Columbia plans now in effect, on the basis of some estimates this figure approaches 90 per cent, although I am told that a more realistic estimate is between 86 and 87 per cent. I have seen estimates that 12.8 million Canadians are now covered by adequate prepaid medical care plans.

The government, however, wishes to use a shotgun approach to the problem. In order to provide medical care for the approximately 10 per cent not now covered—and that is the gap we should be concentrating on—the government insists upon a new type of universal plan which will supersede private and corporate plans long in existence. On the basis of the minister's proposal, all private plans must be wiped out and this plan must be publicly administered. Let me ask him and the committee what is going to happen to some of the very adequate and excellent private plans now in existence, under which employees of companies in large numbers are covered? These individuals are covered by medical plans they like, the benefits of which they enjoy. They are perfectly adequate in coverage. Many of these plans are paid for by the employer without any contribution at all by the employee, as the result of agreements arrived at through the years of the process of collective bargaining. These plans are apparently to be wiped out by the minister's proposal, and there will be substituted some sort of universal plan which can only be paid for out of the tax purse, to which these employees will be contributing. This will deprive them of a benefit they have attained as a result of the process of years of collective bargaining.

I suggest the alternative Ontario Medical Services Insurance Plan or the British Columbia plan, which are universally acceptable and under which the provincial governments pay the premium for the lowest income

groups, effectively meet the government's objection to a voluntary scheme. They are universally available, and show that the government's fear that the most needy would not participate or benefit can be met without a compulsory program.

Indeed, Mr. Chairman, since the Hall Commission report is being quoted extensively, I think we should remind ourselves of what was said by the commission at page 3 of volume 1 of its report. These are the words used:

> The commission believes that the individual's responsibility for his personal health and that of the members of his or her family is paramount to the extent of the individual's capacities.

Surely one can agree with the objective of adequate medical services for all Canadians without endorsing a comprehensive system of compulsory medical insurance.

These are some of the considerations which in my view indicate that the plan of the minister and the government is not economically realistic. As to the other criteria in relation to its constitutional propriety, again I find that there are very serious objections.

The Deputy Chairman: Order, please. 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 may continue his speech?

Some hon. Members: Agreed.

Mr. Fulton: Mr. Chairman, I appreciate the committee's generosity and I will do my best not to abuse it, and to bring my remarks to a close very shortly.

It is, in my opinion, inescapable that the government must not take the position, as the minister has, that it will dictate to the provinces how they will run their medicare programs, if they want to obtain federal financial contribution. It is true that the minister this afternoon in his words recognized the constitutional fact of provincial jurisdiction. But this is what he said earlier in answer to my question as to whether provinces, which do not care to accept the federal criteria, would qualify for a fiscal equivalent:

> I wish to state there is no provision for federal contributions to provinces which do not have medical care plans which conform to the four criteria . . . The medical care legislation will not require agreements between the federal and provincial governments; it will simply authorize payments from the consolidated revenue fund to any province which has a medical care plan as described in the federal legislation.

In other words, Mr. Chairman, most clearly what is being said is this: Here we are, boys, we have a lot of money in the federal treasury; it is there for you if you will be good and run your medical care programs the way we want you to run them, and not the way you think you should run them. This clearly indicates a heavy-handed use of the club of financial power to force provincial acceptance of federal dictation.

What is the difference between what the minister proposes there, and a proposal that the federal government has money in the treasury and will give it, say, to the province of Manitoba for education if that province will alter its school curriculum and provide for the teaching of French at all levels of their school system? Alternatively, what is the difference between the minister's proposal and the federal government saying to the province of Quebec that it will give that province money from the federal treasury if they will adopt a school system of the kind considered desirable by the people here in Ottawa?

This is nothing more than financial blackmail and it is totally and completely unacceptable.

The federal government makes the boast that what it is doing is co-operative federalism. This is not co-operative federalism: This is dictatorial federalism of the worst sort.

• (9:30 p.m.)

Mr. Chairman, there are many other objections that I could put forward on the grounds of constitutional impropriety, but as I wish to show the committee my appreciation of their courtesy in allowing me to finish my remarks, I will conclude simply by saying that the other criticisms are equally as valid as those I have already made.

Mr. Winkler: Mr. Chairman, I am certainly very pleased to have this opportunity to participate in the debate, and I can assure you it is not by choice. Probably one might say it is because of provocation, which is not unusual in this house and perhaps is not unusual at this stage of a session. I viewed with a great deal of dismay the way in which the hon. member for Hamilton East entered the debate. I also viewed with tremendous apprehension some of the words that he spoke. The reason I say this is that he referred, as did many speakers this evening, to who was the father of legislation such as this.

If hon. members wish to go back to years gone by, I can recall on another occasion in

this house referring to the remarks of Bismarck that were made, not a few decades ago but many, many decades ago. He was certainly a hidebound conservative in European politics and was, I believe, the father of this and many other types of social measures that have been introduced into western social justice. But the thing that concerned me most so far as the hon. member for Hamilton East is concerned was the fact that at this stage in the debate he was allowed to inject certain thinking, in very carefully chosen words, in regard to what government policy is now and what their intentions are.

I say to the hon. member, who is a member of the legal profession, that he would be ostracized by his colleagues in that profession if he tried for one moment to impose this sort of dictatorial control over his friends in the legal profession. One of the things in this country that is becoming vitally serious is that people such as the hon. member and others in the legal profession are coming out and advocating such policies and supporting such socialistic plans as the one to which he paid lip service this evening, as did other hon. members. In view of this it is my opinion that we should socialize the lawyers quickly—and very quickly.

Some hon. Members: Hear, hear.

Mr. Winkler: I notice, Mr. Chairman, that I have a lot of support in this respect. I will be condemned for this, I know; but not being a lawyer I do not very much care. I happen to know the fees that lawyers charge, as do my hon. friends in the New Democratic Party and others. I know what fees the hon. member gets for his services and the fees other gentlemen in his profession are paid. I am a free enterpriser and wish to follow a free course, as other free human beings wish to do. It is interesting that we in Canada are now moving into this medicare plan when the people of England are starting to move out of it.

Mr. Douglas: That is nonsense.

Mr. Winkler: It is not nonsense at all, when you realize how many people in that country are today covered by private plans who were not covered by private plans two years ago. I have the figures here and can give them to the hon. member now. In England today over two million people are insured by private plans who were not insured before the medicare plan came into effect.

Some hon. Members: Oh, oh.

[Mr. Winkler.]

An hon. Member: They don't want to hear that.

Mr. Winkler: I know they don't want to hear that. It is a peculiar thing, too, that the plan in effect in Alberta is a rather satisfactory one. I hesitate to say this because it is sometimes taken in the wrong way, but I went to work in this country for as little money as anyone in the depression days. I am not ashamed to admit that, nor to say that the family from which I came needed a great deal of the support that families get today; but my family did not receive that support. We would have had greater opportunities if this assistance had been available; I do not deny this for one moment.

But I say to you, Mr. Chairman, the house and the country that what we should be dealing with in a medicare bill is serving the needs of the people who need help the most. If the people do not choose to participate in such a program, it is not for us to cram it down their throats, if they are prepared to pay the tax out of which other people will be assisted. There is nothing charitable about that situation or the government bringing in such a plan.

The hon. member for Hamilton East also referred to a letter sent out by a doctor to his patients, or some distribution of this type of literature in the province of Ontario. I should like to ask the hon. member if he thinks that doctor or the Ontario Medical Association was lying, because that is what the hon. member implied. I should like him to deny that statement.

Mr. Munro: Mr. Chairman, I was reading from a paragraph of a letter that the Ontario Medical Association sent out to doctor members. The paragraph I quoted from was contained in a letter they sent to the medical profession, suggesting that they incorporate the particular paragraph in a letter they wished them to send to all their patients. I read the paragraph and after reading it said that the conclusions reached in the letter were faulty and incorrect. I pointed that out in my speech, if the hon. member was listening. I did not say the doctors were liars. The hon. member is now attempting to pervert my remarks.

Mr. Winkler: You perverted your own remarks, but I will accept your explanation.

I would also make reference to the cost of plans which have been adopted by governments. I preface these remarks by referring to the speech delivered in this house not

many evenings ago by the right hon. Leader of the Opposition in which he explained the socialistic plans that were instituted and developed in the province of Saskatchewan. Since the medicare plan was adopted in Great Britain it is interesting to note that it has increased in cost by 500 per cent, and this is not unusual in a government instituted plan of this type.

Mr. Munro: Mr. Chairman, may I ask the hon. member a question now? Is he advocating, as I take it he is from his remarks in objecting to the universality of this plan, medicare with a means test?

Mr. Winkler: My earlier statement was very clear in this respect. I am here as a member of parliament, representing and serving the people. I said before that I believe the duty of every member of parliament is to serve the people's greatest need now, if the need exists; and I know it exists in the case of some people in our society who cannot afford to pay for these things. But I do not understand why people should be forced to participate in a plan that is offered to them, when they already have a plan of their choice. I believe that this is a choice most people wish to make of their own volition. I am not supporting a means test at all. I spoke too often against the means test in connection with the type of social legislation the government are introducing in connection with old age pensions. I am against that sort of thing and will be against it forever.

Mr. Munro: Do you want a means test?

Mr. Winkler: You cannot talk to me now the way you spoke earlier this evening. Mr. Chairman, if the hon. member will resume his seat I will carry on with my speech.

I should like to refer now to the province from which I come, and to the program in effect at the present time in Ontario. I would ask the minister to clarify his position in regard to universality and compulsory participation in such a scheme. Does he say that a province which has 90 per cent of its people enrolled in such a plan will be entitled to the money available through this particular scheme? Or is a province which has a 90 per cent enrolment going to be forced into the compulsory aspects of the scheme the minister has enunciated in this house?

Mr. Lewis: Mr. Chairman, would the hon. member permit a question?

• (9:40 p.m.)

Mr. Winkler: I should like to proceed by saying that I believe the Minister of National Health and Welfare—

Mr. Lewis: Is the hon. member afraid of a question?

Mr. Winkler: I am at a very high point in my speech, if the hon. member does not mind.

Mr. Lewis: Will the hon. member permit a question?

Mr. Winkler: If the hon. member does not mind I should like to continue my statement. I am at a very high point of my speech, Mr. Chairman.

The Chairman: Order, please.

Mr. Winkler: I am grateful to hon. members across the floor. I want to say this, Mr. Chairman, and it is a very serious point.

Mr. Lewis: Is the hon. member at a low point now?

Mr. Winkler: If the Minister of National Health and Welfare introduced this plan now because of the enrolment that is taking place in the largest province of this country—

Mr. MacEachen: Which one?

Mr. Winkler: If he did that, he is guilty of exactly the same fault, in my humble opinion, as the Minister of Agriculture in regard to the milk farmers, and as the Minister of Industry in regard to designated areas. When I was a child going to school we used to call it "dirty pool". I believe it is very significant that the Minister of National Health and Welfare is forcing this issue at this time because he is only pulling the rug from under the people who wish to serve those in greatest need.

I am not only referring to the province of Ontario. I believe that the province of Quebec is currently considering the same type of program. The province of Saskatchewan already has such a program, as have the provinces of Alberta and British Columbia.

What is the minister trying to do? If he is trying to impose a new set of ground rules to replace the satisfactory plans which are now in existence, then I suggest that the unparliamentary language I have used would apply.

Mr. Lewis: May I ask the hon. member a question before he takes his seat? The hon.

member for Grey-Bruce stated, if I heard him correctly, that in Great Britain the cost of the medicare plan has increased by 500 per cent. May I ask the hon. member where he obtained that information, so that we may all be able to read it?

Mr. Winkler: I made inquiries from a very authentic source and that was the information that was given to me this afternoon. May I also inform the hon. member that the research and the medical and surgical teaching has sadly deteriorated in the same period.

Mr. Lewis: Can we be informed of this authentic source, Mr. Chairman? I am paying the hon. member the compliment of accepting his suggestion that his source is authentic, and I should like to share with him the information from this authentic source.

An hon. Member: It is a Conservative source.

Mr. Winkler: No, it is not a Conservative source. This information has come to me from a professor of medicine at the University of Western Ontario.

Mr. Douglas: Now we know where it came from. This is a bit much. You did not consult him; you got this information in your mail.

Mrs. MacInnis (Vancouver-Kingsway): Having listened to the debate this afternoon and evening I can well understand why it has taken nearly 50 years to get the medicare resolution up to the present stage. Before hearing this debate I had no idea that there were so many hon. members in this house who have been talking across the country about the need for medicare and about the need of the sick people; that there have been so many people promising a national scheme of medicare for many years and who have then, on being faced with a good piece of legislation, spoken about the need for education and the need for legislation on this, that or the other thing, and then have mounted a sudden surprise attack stating that this legislation deprives the people of this country of their liberty.

I feel it is time that Canadians saw the way in which so many hon. members in the house are reacting to the legislation now before us and which the government has had the courage and foresight to present to the house. I hope that at this stage the government will not weaken or defer this measure, because I think that if the minister were to leave this matter at the resolution stage, the summer recess will be used by many hon. members whom we have heard speaking in the house in order to prejudice certain groups of people in their own constituencies against this legislation.

I suggest, Mr. Chairman, that they will await the opportunity of having this matter referred to a committee in order to kill the legislation before it gets any further. I appeal to the government to go ahead with this matter. I can assure the minister that this measure will have the support not only of a sufficient number of us in this house to have it passed but also the support of the people of this country who have been waiting for medicare for such a long time.

We have heard many quotations from the Hall report, and I was very disappointed to hear the hon. member for Kamloops trying to enumerate a few minutes ago all the medical coverage that Canadians have under private schemes at the present time. The Hall report states quite clearly that after more than 35 years of endeavour on the part of voluntary groups and commercial insurance companies, only slightly more than one half of the population of Canada has any degree of voluntary insurance protection, and this for medical services alone. Of this number, the coverage held by nearly three million people is wholly inadequate. Over 7.5 million Canadians have no medical care insurance whatsoever. I think it is time we stopped talking in distorted terms regarding the medical coverage of Canadians.

The Hall report is an exceedingly worthwhile document and its findings have been beyond criticism or dispute. I think that sometimes we are forgetting why this legislation is being introduced at this time. It is simply being introduced because coverage of this kind is urgently needed in Canada. It has been abundantly proven over and over again that not only the small sections of the population about whom we have been hearing tonight, but wide ranges of Canadian citizens simply cannot afford the medical care they need.

We have been hearing about the exceedingly high cost of medicare. Let me remind the house of the cost of illness to our economy at the present time. In 1963, a hundred million man-days of labour have been lost because of illness, which amount to 3.8 per cent of the gross national product of that year, worth over $1.5 billion. If we assume a continued 3.8 per cent loss, the figure for the year 1965

reaches at least $2 billion, and that does not include the reduced productivity of those who continue to work while in poor health. Obviously not all of this is preventable, but even if only 10 per cent could be avoided through better health care and greater availability of physicians' services, the gain to our economy would at least be equal to $200 million. I think it is time we began to look at this matter in actual terms instead of bringing forward moss-backed ideas that should have died in the last century.

As I said, we have been considering this measure for approximately 50 years. Other countries of the world are away ahead of us. We have the example of the health plan in New Zealand which has been in existence since the 1930's, and the medicare plans which have been in existence in the Scandinavian countries for a long time. We have had the example of Great Britain and our own province of Saskatchewan. Let me ask these people who are so keenly eager to prove that Great Britain wishes to repudiate its medical plan whether it is not strange that in spite of all the true blue Tory governments which have governed that country since the introduction of the medicare plan, none of those Tory governments has repealed this legislation.

Mr. Lewis: Or has amended it.

• (9:50 p.m.)

Mrs. MacInnis (Vancouver-Kingsway): Or even amended it. They did not dare do it because they knew that if they touched that legislation the common people of Britain would know exactly what to do with them. Let me point out that if the government can get this piece of legislation on the statute books, it will be an enduring memorial to them. It will not be touched by those people who are today making such a fuss from this side of the house. These people who have been complaining about it will never dare to touch it, knowing how needed it is and how popular it will be once the legislation is in effect.

The Hall report made it abundantly clear, too, that another allegation which has been made today is completely wrong. That report has made it abundantly clear that there is no comparison between the cost of administering these private plans and the cost of administering a properly run government medicare scheme. Indeed, the Hall report says that the decisions which Canadians have to make, assuming that they accept the claim of the health insurance industry that it can provide universal coverage, which incidentally the Hall Commission does not accept, is whether they wish to pay $1,020 million for these services in 1971 as administered by the insurance industry, or $837 million for a program administered by governmental agencies.

It has been proven over and over again the public agencies are the ones which can run a medicare scheme more economically. All of us in this corner have been looking forward to getting this legislation before us because we hope, at long last, we are going to be able to turn health care from being a business for profit, as it has been under the private agencies, into a service for the people of Canada. The opponents of this measure say that the cost will go up, and that the Hall Commission estimates have not been high enough. Probably the cost will go up. Costs have gone up for other services and in other industries. Costs are steadily going up these days. I point this out, that if the cost of a public medicare scheme goes up, the cost for private schemes under private agencies will go up too. People who are today without medical service coverage will be just that much worse off than they were. I think there is no argument in saying that costs will go up.

There have been a number of pieces of evidence given concerning the benefits to the people of a publicly administered medicare scheme. I want to give just one single bit of evidence which was given to those of us who were in Vancouver attending the national conference of social workers a week or two ago. Professor Titmuss of the London School of Economics was referring to the benefits that had come to the British people as a result of the health services. He gave this illustration, that the incidence of cataract in people over 70 has declined by 30 per cent in 12 years in Great Britain. This is a disease that is tremendously prevalent among older people.

May I give one other example of what is happening? This may impress hon. members even more. The incidence of blindness is down 25 per cent in Great Britain over the last ten years.

Mr. Brand: May I ask the hon. lady a question?

Mrs. MacInnis (Vancouver-Kingsway): All right.

Mr. Brand: Does the hon. lady honestly believe that as a result of medicare in Great Britain the incidence of cataract has improved? If this is the case, I am sure the

medical profession would be more than pleased to hear about this new discovery.

Mrs. MacInnis (Vancouver-Kingsway): I am saying that a reputable person, Professor Titmuss, one of the best known authorities in Great Britain on social welfare measures, made the statement that during the last 12 years, during which time medicare was in force in Britain, one of the greatest triumphs had been the reduction of blindness by 25 per cent. He attributed this reduction to the fact that they had a national health service in Britain and people, for the first time, were able to go and get treatment for their blindness. They were able to get treatment for cataract on a large scale.

Let me point out that one of the difficulties we have encountered in Canada has been the fact that the business of providing medical services has been a private industry. The doctors, whether they wanted to or not, have not been in the position to give service to those who most needed it, the people in the lower income group. The hon. member who just asked me the question was this afternoon deploring the shortage of doctors. He said we would have to find ways and means of increasing the number of doctors. Of course we will. Let me point out, however, that the shortage of doctors occurred in Canada, not under a public medicare scheme but under a scheme where the doctors were private, individual businessmen. They have not been able to provide services to the people of this country where those services were required.

Mr. Brand: Will the hon. lady permit—

Mrs. MacInnis (Vancouver-Kingsway): I have just a minute left, and I am afraid I cannot get an extension of time. Although I have had to put into a shorter period of time than I would have liked the comments I desired to make, let me summarize by urging the government not to be deterred by comments heard from some on this side. The government should know that this measure is one of the most needed by the people of this country. They have been waiting for it and will welcome it more than anything else, with the possible exception of an increase in old age pensions. Once this measure is on the statute books, there is no chance in the world of its ever being repealed by this lot over here, if they should be in power again, or by any other government in this country. I urge the government and the minister to proceed now, before the summer recess.

[Mr. Brand.]

The Chairman: Order. It being ten o'clock it is my duty pursuant to standing order 61A to interrupt these proceedings and forthwith put the question.

Resolution reported and concurred in.

Mr. MacEachen thereupon moved for leave to introduce Bill No. C-227, to authorize the payment of contributions by Canada toward the cost of insured medical care services incurred by provinces pursuant to provincial medical care insurance plans.

Motion agreed to and bill read the first time.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Starr: I wonder if someone on the government side could tell us what business we shall undertake tomorrow in this house?

Mr. MacEachen: Mr. Speaker, the order of business for tomorrow is the income tax amendments; the National Arts Centre; Bill C-215, which is the dock workers bill; second reading of the medical care insurance bill—

Mr. Churchill: No, no.

Mr. MacEachen: —and a bill, standing in the name of the Minister of Trade and Commerce, to amend the Canadian Corporation for the 1967 world exhibition act. That is just a small item.

Mr. Churchill: Mr. Chairman, I rise on a point of order. In the absence of the government house leader, the acting house leader has now announced additional business for the house which was not contemplated by the government house leader.

In numerous consultations that we have had with the government house leader within the last ten days, an attempt has been made to bring this session to a conclusion, and the arrangement has been that a limited number of bills be placed in front of us. The acting house leader has now placed something else in front of us which was not in that arrangement. This, I think, is breaking the word of the government house leader that he conveyed to us on this side of the house.

Mr. Starr: Also the Prime Minister.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDUSTRY—INSTRUCTIONS FROM U.S. RESPECTING FLOUR FOR CUBA

Mr. L. R. Sherman (Winnipeg South): It has come to my attention in recent days, Mr. Speaker, that Canadian political and economic sovereignty may be suffering an infringement—indeed, a violation—as the result of United States government policy respecting trade with the government of Cuba; and I take this opportunity to direct a query in this area to the Minister of Trade and Commerce or, in his absence, the Minister of Industry.

I am informed on excellent authority, sir, that directives have gone out to the three United States owned flour mills in Canada namely, Robin Hood, Quaker and Pillsbury, forbidding them to mill Canadian wheat in Canada for sale to Cuba. The order is articulated under the Trading with the Enemy Act, and apparently carries with it the implied threat of severe penalties for any offender.

I would add that so far as I am aware, these are not new directives, and this is not a new situation. On the contrary, the situation would appear to be a chronic or permanent, one. It has been the subject of widespread suggestion and speculation before. It has come freshly to light as a result of the $800 million wheat agreement that has just been concluded between Canada and the Soviet union.

The directive forbidding these three United States owned flour mills from processing wheat bound for Cuba has sat, I am informed, on the desks of the Canadian offices of these companies for a considerable time. I re-emphasize that so far as I am aware there is nothing new at the level of the directive itself. What is new, apparently, is that despite all the recent furore over United States government guidelines for foreign subsidiaries of domestic U.S. firms, and despite the insistence of the Canadian government that those guidelines have been modified to meet the legitimate principles of Canadian sovereignty, there has been no new directive rescinding the old one. The old one is still in effect, and is being observed once again in connection with the new Canada-Russia wheat deal.

Under the terms of this Canada-Russia deal, the Russians have purchased, for delivery over the next three years, about 45 millions bushels of wheat in the form of flour, and no one has attempted to make any secret of the fact that more than two thirds of it is earmarked for Cuba. The flour is shipped in 100-pound bags, and the total 45 million-bushel purchase represents an annual sale of 6.6 million of these 100 pound bags.

The Russians are in process right now of placing their orders for the processing of this flour with mills in Canada, both Canadian-owned and American-owned, and the situation as I understand it is that while both Canadian-owned mills and American-owned mills are bidding on the orders destined for shipment via the west coast to Russia, only the Canadian-owned companies are bidding on the orders destined for shipment via the east coast to Cuba. The American-owned mills in this country are not bidding on the Cuban orders—presumably because of the old directives from their head offices in the United states which prevent them from doing so.

Now, there are two concessions with respect to this situation that I want to make immediately. The first is that the situation in no way interferes with Canadian business. On the contrary, in fact, it is a beneficial situation as far as the Canadian mills are concerned. They have the whole Cuban market to themselves, with no competition from the American-owned mills.

The second is that I am fully sympathetic with the interests of the United States government and the United States people in their courageous fight at this time—in Southeast Asia, in the Caribbean, in Europe and elsewhere—to resist the forces of aggression in Communist and other forms that threaten the free world. And I can fully appreciate their legitimate desire to withhold, wherever possible, any goods or materials which might be construed by them to be of help and comfort to their enemies.

But I submit, Mr. Speaker, that there is a principle at stake here and it is in the undeniable interest of our Canadian sovereignty that it be respected. Hon. members on the government side will say perhaps that no Canadian business is being hurt here; so, they will ask, what harm is being done?

But I would ask them this: What would happen if all the flour mills in Canada were American-owned? Then, would not the logical result be a situation wherein Canada would find that she could not sell any of her flour, or at least could not sell any flour to Cuba?

I would ask hon. gentlemen opposite this: Is the present situation with respect to the American-owned mills in this country in keeping with the spirit of good corporate Canadian citizenship? Is it in accord, in their

view, with the principles of citizenship as they feel they should apply to individuals who live here, and make their living here?

I say only this, Mr. Speaker. These American-owned firms are here, and we are glad to have them here. But presumably some benefits accrue to them as a result of their being here and it is therefore incumbent upon them to fulfil the same responsibilities of citizenship in this country as we expect of individual persons who live here and work here.

For my part I believe these United States firms, left to their own social and corporate philosophies, do fulfil those responsibilities most admirably. It is only when a different authority interferes that there is the danger of trouble. In this case, sir, I submit that an over-riding authority has interfered and in so doing has not only inhibited the potential of these American-owned citizens of Canada, but has infringed upon Canadian political and economic sovereignty as well. If this is the visible part, what of the invisible part? I would ask the government to give us assurances that this is not the tip of an iceberg.

Hon. Robert Winters (Minister of Trade and Commerce): I am grateful to the hon. member for Winnipeg South for his remarks concerning a situation which would not, if it in fact exists, harmonize with good corporate Canadian citizenship.

• (10:10 p.m.)

When I learned of the hon. gentleman's question today we endeavoured to check with the companies concerned. We were able to communicate with most of them, and they said they have not received instructions not to sell any of this flour to Cuba. We propose to check with all of them and make sure of the facts in this regard.

The situation is as the hon. member represented it, that even if the American-owned companies were prevented from processing flour for Cuba, Canadian industry would not lose because then Canadian-owned companies could process more of the wheat. In that way the Canadian economy will not suffer.

However, there is the question of the extension of extraterritoriality with which we were concerned in our meeting with the U.S. ministers earlier this year. Canadian ministers pressed our case very vigorously. We told them this was contrary to the best interests of Canada and totally incompatible with our concepts of Canadian sovereignty.

We told them we intended to take action to let Canadian companies know what we regarded to be good corporate Canadian citizenship. Hon. members know what the guiding principles are. We have set forth the principles under which we suggest that foreign and Canadian owned companies operate in all respects as good Canadian citizens.

We did leave it with the Americans, after pressing very vigorously, that if any cases came to our attention where there was any danger of infringement on Canadian sovereignty, we would bring them to their attention and pursue the matter, and if there is any evidence to that end, as a result of our approaches to these milling companies, we will certainly pursue it.

There have been one or two instances recently in which it was alleged that this sort of thing was happening. We took them up with the American authorities and we found out either it was not happening at all, or, if there was any shadow that it might be happening, appropriate action was taken to prevent it. I would like to assure the hon. member that this matter will be pursued along the lines I have mentioned, and I wish to thank him for bringing it to our attention.

Motion agreed to and the house adjourned at 10.14 p.m.

HOUSE OF COMMONS

Wednesday, July 13, 1966

The house met at 2.30 p.m.

PRIVILEGE

MR. SHERMAN—SOURCE OF INFORMATION FOR QUESTION ON FLOUR MILLING

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, on a question of privilege I would like to do the house and the Minister of Trade and Commerce the courtesy of identifying the source of the information which was the basis of my remarks in the house yesterday respecting the Cuban flour milling situation. My source of information was the associate editor of the Winnipeg *Tribune*, Mr. Val Wenier, and a front page article in that newspaper of last Saturday, July 9.

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Fourth report of standing committee on agriculture, forestry and rural development—Mr. Whelan.

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

CRIMINAL CODE

LEGISLATION TO BE DEALT WITH BEFORE OF TELEPHONE SERVICE

Mr. Barry Mather (New Westminster) moved the first reading of Bill No. C-228, to amend the Criminal Code (harassing telephone communications).

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill is to amend the Criminal Code to provide penalties for persons convicted of abusing the telephone service to harass or torment other persons. This represents a serious and growing problem, and in Ontario and Quebec the Bell Telephone Company estimates that some 2,000 complaints are received monthly from the victims of such action. Similar legislation is now before the United States congress.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

COLOUR TELEVISION

Question No. 587—**Mr. Korchinski:**

1. What is the estimate of the number of people in each of the provinces who would be within reach of coloured television within one year of inauguration?

2. What is the estimate of the number of people in each of the provinces who would be within reach of coloured television within five years of inauguration?

3. What is the estimate of the expenditure necessary to provide coloured television transmission within its first year of operation?

4. What is the estimate of the cost of maintaining and expanding coloured television facilities for the next five years thereafter?

Hon. Judy V. LaMarsh (Secretary of State): 1. Estimated population expected to be within reach of color television from C.B.C.-owned facilities: Newfoundland, 213,000; Prince Edward Island, 25,000; Nova Scotia, 385,000; New Brunswick, 153,000; Quebec, 4,068,000; Ontario, 3,936,000; Manitoba, 693,000; Saskatchewan, —; Alberta, 549,000; British Columbia, 1,368,000; total, 11,390,000.

2. The C.B.C.'s second phase of color development is only in the preliminary planning stage.

3. By March, 1967, C.B.C. capital expenditures for color are expected to amount to some $14 million. It is estimated that due to color, operating costs will have increased by approximately $2 million.

4. The corporation has not been authorized to proceed with color development to the extent of expending or committing funds over the five year period from April, 1967 to March, 1972.

EXTENSION OF TELEVISION SERVICE, CAPE BRETON ISLAND

Question No. 1,231—**Mr. Muir (Cape Breton North and Victoria:** *Supplementary*

1. Does the government plan to provide adequate television service to the communities of Pleasant Bay, Red River, Capstick, Bay St. Lawrence, St. Margaret's Village, Dingwall, North Harbour, South Harbour, Sunrise, Big Intervale, Cape North, Aspy Bay, Sugar Loaf, White Point, Smelt Brook and Bay Road Valley in northern Cape Breton Island, N.S.?

2. Has the government, through any of its ministers, received representation in this regard and, if so (a) what reply was given (b) what action, if any, is contemplated?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Minister of Transport is concerned:

2. Yes, (a) letter acknowledged stating that representation being passed on to Secretary of State, (b) to be answered elsewhere.

In so far as the Minister of National Health and Welfare is concerned:

2. (a) Representations were received from several citizens in the areas concerned. As cabinet minister for Nova Scotia the Minister of National Health and Welfare assured his correspondents that every possible consideration was being given to this very important matter. The Minister of National Health and Welfare has made continuous representations to the authorities concerned. (b) to be answered elsewhere.

INTEREST RATE ON MONEY FOR FOREIGN LOANS

Question No. 1,369—**Mr. Godin:**

1. When the government grants a loan to a foreign country at a certain rate, does it obtain this money at this same rate?

2. If so, what is the rate most frequently applicable?

3. If not, on what basis are the standards of such a transaction established?

Hon. Mitchell Sharp (Minister of Finance): 1. No.

2. Not applicable. See answer to 1.

3. In the case of commercial transactions, the rate of interest is determined by commercial considerations and is comparable to the rates normally charged for such transactions by other lenders; in the case of aid transactions, on the current and prospective economic and balance of payments situation of the country to which the loan is made.

U.S. TAX ON TOURISTS

Question No. 1,397—**Mr. Allard:**

Does the government have any knowledge of an alleged $100 tourist tax to be imposed by the government of the United States on American citizens going abroad and, if so, has the government made or does it intend to make representations to the government of the United States to the effect that this tax should not apply to American citizens visiting Canada?

Hon. Mitchell Sharp (Minister of Finance): There has been some comment recently in the press speculating that the U.S. government was planning a head tax on U.S. tourists going abroad. The U.S. administration quite naturally has under continuous review all aspects of the U.S. balance of payments situation, including what steps they might take if further action should become necessary. There is, as a matter of practice now, close discussion of balance of payments matters between the U.S. and Canada. Canadian representatives have informally reminded the U.S. authorities of Canada's great interest in any policy change affecting U.S. tourists.

WINDSOR, ONT.—PROVISION OF FRENCH RADIO BROADCASTS

Question No. 1,442—**Mr. Allard:**

1. Has the government received petitions from the city council of Windsor, Ontario, and from several citizens in the Ontario counties of Essex and Kent with regard to the installation of French language radio in that region?

2. If so, what answers has the government given on this subject to the city council of Windsor or to any other person or body?

3. Has the government conveyed any such petitions to the directors of the C.B.C.?

4. If so, when will the directors of the C.B.C. study such petitions?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes.

2. The Office of the Secretary of State has generally replied to those concerned after consultations with representatives of the C.B.C. The replies stated that the C.B.C. is at present studying the possibility of setting up a frequency modulation station in this region because of the present lack of good AM frequency bands. The office also stressed the urgent need for the extension of the C.B.C. French network and the priority which the government is giving to this.

3. Individual members of parliament have received letters and sent them to the C.B.C. and the corporation itself has received letters and petitions from individuals and groups.

4. The C.B.C. has considered numerous requests, over the past few years, for the establishment of a French language radio station in Windsor. Due to the absence of a good AM frequency, the C.B.C. is presently thinking in terms of an FM station for Windsor. The proposed station is on the C.B.C. current five-year capital plan.

[*English*]

ENLARGEMENT OF BAIE D'ESPOIR POWER DEVELOPMENT

Question No. 1,457—**Mr. Coates:**

Has a request been received by the federal government, or the Atlantic Development Board, from the government of the province of Newfoundland for additional assistance in the doubling of the size of the Baie d'Espoir power development and, if so, has a decision been rendered in this request?

Hon. Judy V. LaMarsh (Secretary of State): I am informed as follows: No.

PAYMENTS INTO FEDERAL SUPERANNUATION FUND

Question No. 1,524—**Mr. Douglas:**

1. How much money has been paid by (a) the federal government (b) federal government employees into the superannuation fund since its inception?

2. How much money has been paid out of the superannuation fund since its inception?

Hon. Mitchell Sharp (Minister of Finance): Estimated amounts as of March 31, 1966—

1. (a) $1,781,863,132, including interest but excluding other sums for which the government has assumed the liability consisting of $93,620,600 in the form of a deferred charge which is being amortized and $396,217,000 which was written off to net debt. (b) $754,480,146.

2. $684,999,062.

COST OF WITHDRAWING AND RE-ESTABLISHING NATO PERSONNEL

Question No. 1,590—**Mr. Crouse:**

1. What is the estimated cost to Canada of the political and military withdrawal of our NATO personnel from France?

2. What is the estimated cost of re-establishing these forces in other countries?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of External Affairs is concerned:

With regard to civilian personnel employed by NATO, any costs which might be incurred would arise from a decision to transfer the NATO civilian headquarters out of Paris. No such decision has been taken to date.

In so far as the Department of National Defence is concerned: The withdrawal of our military units from bases in France is a matter of negotiation with France and until certain decisions have been taken no estimate of costs can be given.

PENSIONS OF RETIRED CIVIL SERVANTS

Question 1,653—**Mr. Irvine:**

1. Are any former civil servants of Canada now retired receiving pensions of less than $50 per month and, if so, how many?

2. Are any in receipt of pensions of $50 to $75 per month and, if so, how many?

3. Are any in receipt of pensions of $75 to $100 per month and, if so, how many?

Hon. Mitchell Sharp (Minister of Finance): 1, 2 and 3. The total of the pensions received by retired civil servants from all sources is not known. In so far as the pensions paid under employee pension plans of the government of Canada are concerned, the following information is available in answer to this question: pensioners receiving less than $50 per month, 5,203. Pensioners receiving $50 and less than $75 per month, 4,411. Pensioners receiving $75 to $100 per month, 3,660.

ILLEGAL IMMIGRANTS

Question No. 1,676—**Mr. Irvine:**

1. What was the total number of persons illegally resident in Canada as of January 1, 1966?

2. Of these, how many are on extended visitors' permits?

3. How many remain on minister's permit?

4. How many have been ordered deported?

5. How many were deported during each of the years 1955 to 1965?

6. How many such people are in Canada awaiting various decisions and/or impending regulation or legislation?

7. Is it the intention of the government to declare a large portion of them "landed immigrants" and, if so, when?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. There are many categories of illegal residents e.g. ship deserters, stowaways, persons who gained entry by eluding examination or by giving fraudulent information and persons who came forward legally as visitors but overstayed the period of their authorized entry. No accurate estimate is possible as to how many of these people may have been in Canada at any given time. However, as the Minister of Citizenship and Immigration announced in the house on July 8, 1966, the department has received approximately 20,000 applications from visitors in Canada seeking landed immigrant status.

2. and 3. The 20,000 visitors referred to in part 1 have not been issued with formal visitor's or minister's permits but rather they

have been allowed to remain in Canada without official immigration status pending decisions on their immigrant applications.

4. and 5. There is no way of distinguishing in departmental statistics all of those persons who may have been in Canada illegally and who were ordered deported or deported. However, the attached statistical table reflects the total number of persons ordered deported or deported from within Canada during each of the years 1955 to 1965 indicating the general category in which they came.

6. See answer to part 1.

7. Government policy in dealing with such applications was announced by the Minister of Citizenship and Immigration on July 8, 1966.

DEPORTATIONS ORDERED OR EFFECTED FROM WITHIN CANADA 1955 TO 1965

Deportation Ordered or Effected	Non-Immigrants Refused Permanent Admission	Immigrants Landed later found Deportable	Ship Deserters	Stowaways	Others	Total
1955—Ordered	253	681	262	—	179	1,375
Effected	159	314	239	—	150	862
1956—Ordered	166	453	242	3	135	999
Effected	73	215	204	0	112	604
1957—Ordered	151	293	190	29	122	785
Effected	51	137	176	24	118	506
1958—Ordered	206	535	174	44	156	1,115
Effected	121	209	160	40	125	655
1959—Ordered	282	503	194	34	222	1,235
Effected	145	245	146	25	183	744
1960—Ordered	43	380	203	28	200	854
Effected	41	201	145	29	155	571
1961—Ordered	140	387	211	20	243	1,001
Effected	41	178	154	17	202	592
1962—Ordered	109	261	434	18	185	1,007
Effected	57	122	279	17	155	630
1963—Ordered	150	122	278	24	209	783
Effected	72	89	181	23	182	547
1964—Ordered	241	113	413	29	228	1,024
Effected	146	75	288	27	186	722
1965—Ordered	134	78	547	24	304	1,087
Effected	90	55	416	21	259	841
Totals—Ordered	1,875	3,806	3,148	253	2,183	11,265
Effected	996	1,840	2,388	223	1,827	7,274

Note: There is not necessarily any relationship between the figures for deportations "ordered" and "effected" in any one given year. The "ordered" figures represent all deportations ordered in a particular year while the "effected" figures represent those orders which were executed in a given year regardless of the year in which the order may have been issued.

C.B.C. PERSONNEL

Question No. 1,678—**Mr. Mather:**

1. What is the number of C.B.C. employees?

2. How many such employees are (a) writers (b) performers (c) producers (d) news personnel (e) technical personnel (f) clerical personnel (g) in the various levels of management?

[Mr. Munro.]

Hon. Judy V. LaMarsh (Secretary of State):

1. 8,304 as at March 31, 1966.

2. (a) 51 (b) not on staff (c) 2,041 production staff, of whom 462 are producers (d) 221 (e) 1,871 (f) 1,658 (g) 1,174. The remaining 1,288 employees include those engaged in a variety of other activities not specified in the question.

P.E.I. APPLICATIONS FOR FISHING VESSEL SUBSIDIES

Question No. 1,682—**Mr. McQuaid:**

1. How many applications from the province of Prince Edward Island for the payment of subsidies under the fishing vessel regulations 1964 have been approved for payment since February 21, 1966?

2. Of those approved since the above date, how many have actually been paid?

3. How many applications were rejected, what were the names and addresses of the applicants rejected, and what was the reason for the rejection?

4. How soon may payments be expected by those whose applications have been approved but not yet paid?

Hon. H. J. Robichaud (Minister of Fisheries):

1. None.

2. Answered by No. 1.

3. None. Inspection of boats of the 35 foot to 45 foot class to determine eligibility, as referred to in reply to question No. 1,094, is still under way.

4. Up to the present there have been no approvals based on above inspection procedure.

NATIONAL DEBT

Question No. 1,684—**Mr. Irvine:**

1. What was the total outstanding national debt of Canada as of the end of each fiscal year 1950 to 1965-66?

2. What was the national debt per capita in each of these years?

3. What was the total cost and the per capita cost of servicing this debt in each of the aforementioned years?

Hon. Mitchell Sharp (Minister of Finance):

1, 2 and 3. See table.

Population	March 31	Gross national debt		Net national debt		Cost of servicing gross national debt		Cost of servicing gross national debt less return on investments	
		Amount	Per capita	Amount	Per capita	Amount	Per capita	Amount	Per capita
		($ Mill.)	$	($ Mill.)	$	($ Mill.)	$	($ Mill.)	$
13,712	1950	16,751	1,222	11,645	849	451	33	359	26
14,009	1951	16,923	1,208	11,433	816	439	31	349	25
14,459	1952	17,257	1,194	11,185	774	531	37	413	29
14,845	1953	17,919	1,207	11,162	752	465	31	348	23
15,287	1954	17,923	1,172	11,116	727	496	33	344	23
15,698	1955	17,952	1,144	11,263	717	502	32	368	23
16,081	1956	19,124	1,189	11,280	701	514	32	365	23
16,610	1957	18,336	1,104	11,008	663	534	32	327	20
17,080	1958	18,419	1,078	11,046	647	567	33	398	23
17,483	1959	20,250	1,158	11,678	668	648	37	427	24
17,870	1960	20,986	1,174	12,089	676	784	44	544	30
18,238	1961	21,603	1,185	12,437	682	798	44	514	28
18,570	1962	22,908	1,234	13,228	712	839	45	531	29
18,896	1963	24,799	1,312	13,920	737	918	49	606	32
19,235	1964	25,923	1,348	15,070	783	994	52	628	33
19,571	1965	26,573	1,358	15,504	792	1,051	54	628	32
19,783 (Estimated)	1966	27,617	1,396	15,538	785	1,085	55	649	33

SOURCE: Public Accounts 1950–1965
Budget White Papers 1965–1966

KRIEGHOFF PAINTINGS IN NATIONAL GALLERY

Question No. 1,697—**Mr. Isabelle:**

1. Are there any Krieghoff paintings at the National Gallery?

2. If so (a) how much has been paid for them (b) from whom were they bought (c) what are the titles of these paintings?

Hon. Judy V. LaMarsh (Secretary of State):

1. Yes.

2. While in this instance the prices of the Krieghoff are generally known to the dealers, information can be provided, but this precedent could prove to be embarrassing in other

questions of a similar nature where the National Gallery may feel that it would not be in its best interests to reveal the prices paid. It could possibly result in making negotiations more difficult with dealers and individuals.

(a)	(b)	(c)
$ 350	Not known	Autumn Scenery
$ 875	R. A. Davies	Portrait of John Bicknell
$ 875	R. A. Davies	Portrait of Mrs. John Bicknell
$ 7,500	Laing Galleries	The Blizzard
Gift	Miss Edith Wilson	The Chaudière
Gift	Sen. Edwards Estate	The Habitant Farm
$15,000	Dominion Gallery	The Horse Fraser Ridden by Mr. Miller
Gift	Miss Geneva Jackson	The Ice Bridge at Longueuil
$ 350	Not known	The Indians Running a Rapid
$ 500	Not known	Lord Monk
$ 8,000	W. M. Connor	The Passing Storm, St. Féréol
Gift	Edward F. Murphy	The River Road
$ 125	W. Scott & Sons	Self Portrait
$ 700	Not known	The Studio
Gift	Edward F. Murphy	The Toll Gate
Gift	Miss Edith Wilson	Winter Landscape
$ 2,000	Cameron Rougvie	Winter Landscape, Laval

DORCHESTER, N.B.—HOUSING FOR PENITENTIARY STAFF

Question No. 1,704—**Mr. Coates:**

1. Is the government removing the homes used by personnel of the Canadian penitentiary service at Dorchester, New Brunswick, and, if so, for what reason?

2. What action is the government taking to ensure that a substantial number of the employees of the Canadian penitentiary service will reside in close proximity to the penal institutions at Dorchester, N.B., for emergency situations?

3. Is it the intention of the government to carry out any new housing developments in the Dorchester area as a result of the elimination of the present housing?

Hon. L. T. Pennell (Solicitor General): 1. The penitentiary service removed eight frame units at Dorchester, as these units became vacant, in keeping with the penitentiary service policy to phase out of housing operations. In 1963 several units were declared surplus to Crown Assets Disposal Corporation (CADC) and in 1964 CADC authorized the penitentiary service to dispose of these buildings, but no bids were received when public tenders were called. Subsequently the CADC authorized the penitentiary service to proceed with the disposition of the other houses that have been removed. The frame units are approximately 80 years old. As a result of certain representations, the phasing out operation is under review.

2. A substantial number of the staff of the penitentiary live within reasonably close proximity by car of the institution.

3. The penitentiary service has no plans for carrying out any new housing developments in the Dorchester area.

CENTENNIAL FISHERIES MUSEUM, LUNENBURG, N.S.

Question No. 1,737—**Mr. Stanbury:**

Will the proposed centennial fisheries museum in Lunenburg, Nova Scotia, contain some suitable commemoration of the schooner *Bluenose* to ensure recognition of the town's greatest historical asset?

Hon. Judy V. LaMarsh (Secretary of State): Yes.

The centennial commission has been informed that the centennial fiisheries museum of the town of Lunenburg will take the form of a typical fishing village with up to 12 buildings included.

They will be built on piling to resemble the fishing buildings at a wharf. There will

be several arms to the wharfs to which will be tied small fishing boats such as dories.

The tools of the trade will be exhibited at various places through the fishing village, different types of fishing gear will be on display from the earliest time of fishing in the Maritimes up to the present modernized methods. It is also expected that there will be a building which will be displaying the log books of old boats which sailed out of Lunenburg.

DEMOLITION OF HOUSES, DORCHESTER PENITENTIARY

Question No. 1,742—**Mr. Flemming:**

1. Is the demolition of houses at Dorchester penitentiary, New Brunswick, undertaken with the approval of the government of Canada?

2. Have the houses been condemned as being unsuitable for human habitation?

3. If so, what is the name of the official who made such report?

4. Has any attempt been made to sell the houses to tenants presently occupying same?

5. Has any attempt been made to secure bids by public tender?

6. What is the present appraised value of the houses to be destroyed?

7. Will employees of the Department of Justice occupying these houses at present be obliged to secure housing accommodation elsewhere and, if so, will allowance for travelling be on a mileage basis?

Hon. L. T. Pennell (Solicitor General): Parts 1, 2, 3, 4, 5 and 6. The demolition of houses at Dorchester was undertaken pursuant to a penitentiary service policy to phase out of government housing except in isolated localities. In October, 1963 two frame units were declared surplus to Crown Assets Disposal Corporation (CADC). As no offers to purchase these units were received CADC authorized the penitentiary service to dispose of these units, and in view of this experience CADC subsequently authorized the penitentiary service to proceed with the disposal of other frame units.

The units disposed of while not officially condemned were approximately eighty (80) years old, and the cost of maintenance of some of these units amounted to over $1,200 in a two year period. This cost of maintenance did not include any charge for labour, which was provided by the medium and minimum security inmates. However, this labour service will not be available in the future with the transfer of the minimum security inmates to the existing Springhill minimum security institution, and the transfer of medium security inmates to the new young offenders (medium security) institution which will be opened at Springhill late in 1966.

In the opinion of experienced personnel within the penitentiary service, bearing in mind the age of the frame units, the state of disrepair, the monthly rentals, and the fact that they were situated on crown lands and would have to be removed in the event of sale, and the policy of the penitentiary service to phase out of housing, the cost of continued maintenance would not be justified.

Fixtures and other material salvaged in the disposal of these frame units is at present in storage and will be utilized by the penitentiary service as the occasion arises. In the circumstances no appraisals were obtained.

7. The employees of the department who occupied the demolished houses have secured housing accommodation elsewhere and, where otherwise qualified are entitled to an allowance for travelling under Treasury Board minute 608561, dated June 28, 1963.

TELEVISION TRANSMITTERS FOR NORTHERN COMMUNITIES

Question No. 1,755—**Mr. Diefenbaker:**

1. Is the Canadian Broadcasting Corporation developing a plan whereby small television transmitters will be provided to northern communities which would otherwise be denied C.B.C. television coverage?

2. If so, what is the nature of the development which the C.B.C. has in contemplation and when may it be expected that the program will be put into operation?

Hon. Judy V. LaMarsh (Secretary of State): 1. Yes.

2. The development would consist of small, self contained television transmitters to provide service by means of video tape recordings to small isolated communities. The tape recordings would be delivered to the community by the most convenient transport available and broadcast on the station in 4 hour units. The transmitters and tape units are still in the developmental stage but, if technically and financially feasible, a start on putting them into operation could be made within the next two or three years and the program completed over the following two or three years.

GEAR ASSISTANCE TO LOBSTER FISHERMEN, VICTORIA COUNTY, N.S.

Question No. 1,771—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the Department of Fisheries to provide gear assistance to the lobster fishermen

of Victoria county, Nova Scotia, who suffered substantial trap losses through storms in early June and, if so, what form will the assistance in question take?

Hon. H.-J. Robichaud (Minister of Fisheries): No, but provision is available through the fishermen's indemnity plan for the insuring of lobster traps.

RETIREMENT OF ARMY LIEUTENANTS AND CAPTAINS

Question No. 1,782—**Mr. Bower:**

Have any army officers between the ranks of lieutenant and captain inclusive retired prematurely at their own request during the past eighteen months and, if so, how many?

Hon. Léo Cadieux (Associate Minister of National Defence): Yes, 178 army officers in the ranks of lieutenant and captain retired at own request between 1 December, 1964, and 31 May, 1966.

LAND USE STUDY, JERICHO BEACH, B.C.

Question No. 1,785—**Mrs. MacInnis (Vancouver-Kingsway):**

1. What firm did the government hire to make a land use study of Jericho Beach national defence lands in Vancouver?

2. How much will the study cost?

3. What are the town planning qualifications possessed by the consultant?

4. With what real estate and development company is the consultant associated?

5. Are the studies continuing in view of the recent request of the city of Vancouver for a discontinuance of the studies and for the conveyance of the lands to the city for park and recreational purposes and, if so, for what reason?

Hon. Paul Hellyer (Minister of National Defence): 1. No firm as such has been hired but Mr. Gilbert J. Hardman, Vancouver, B.C. is carrying out a study.

2. $15,000.

3 and 4. He is an associate of the Royal Institute of Chartered Surveyors and is in charge of estate planning and development for Grosvenor-Laing (B.C.) Ltd., Annacis Industrial Estate, New Westminster, B.C.

5. No request has been received from the mayor of Vancouver for a discontinuance of the study.

DESIGN OF COMMEMORATIVE DOLLAR BILL

Question No. 1,795—**Mr. Isabelle:**

1. Who designed the special dollar bill commemorating confederation year?

2. What is the purpose of having chosen the picture of parliament being destroyed by fire in 1916?

[Mr. Muir (Cape Breton North and Victoria).]

Hon. Mitchell Sharp (Minister of Finance): 1. The special dollar bill commemorating confederation year was designed by a security printing organization which supplies the Bank of Canada with bank notes.

2. The scene on the back of the special dollar bill will depict the original centre block of the parliament buildings which was erected in 1860-65 as it appeared in 1867. It will not depict the parliament buildings being destroyed by fire. It was felt that since this historic edifice housed Canada's first parliament it was an appropriate subject for engraving on the centennial note.

DENIAL OF PENSIONS TO ARMED FORCES WIDOWS

Question No. 1,814—**Mr. Enns:**

1. Has the Department of National Defence a list of cases where the widows of members of the armed forces were considered eligible for pensions by the Department of National Defence, but were not granted service pensions by the pension board?

2. If so (a) in what areas do such cases arise (b) has any action been taken by the Department of National Defence to resolve such difficulties in favour of widows of members of the armed forces?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. No.

2. Not applicable.

TRAFFIC CONTROL, PARLIAMENT HILL

Question No. 1,815—**Mr. Godin:**

1. What is the annual cost to the Canadian government for maintaining order, directing traffic and supervising parking facilities, by the R.C.M.P., on parliament hill?

2. Does the city of Ottawa obtain the proceeds of tickets issued by the R.C.M.P. for illegal parking on parliament hill and, if so, under what conditions?

Hon. L. T. Pennell (Solicitor General): 1. $189,811.06.

2. Yes, under the provisions of section 626 of the Criminal Code of Canada.

* EXCHANGES OF CIVIL SERVANTS TO PROMOTE BILINGUALISM

Question No. 1,832—**Mr. McCleave:**

Regarding the answers to starred questions 1,799 and 1,816, as given to this house by the parliamentary secretary to the Prime Minister on July 11, how will the duties carried out now by such senior officials be carried on?

Mr. P.-E. Trudeau (Parliamentary Secretary to Prime Minister): Mr. Speaker, during the

absence of these senior officials, temporary arrangements will be made for the performance of their normal duties. The nature of the arrangements will depend upon the particular case. In general it is anticipated that temporary replacements will be provided, but in some instances a temporary redivision or redistribution of duties will be made. It will be understood that an officer going on one of these courses will return to his original position unless a different posting has been arranged by mutual consent.

QUESTIONS PASSED AS ORDERS FOR RETURNS

* U.S. CITIZENS IN FEDERAL EMPLOY

Question No. 1,283—**Mr. Ricard:**

1. How many United States citizens are there in the employ of the government of Canada?

2. Have any of the said United States citizens been requested to obtain Canadian citizenship and, if so (a) how many (b) how many have refused in order to retain their United States citizenship and, in what federal government departments are they employed?

Return tabled.

TEXTILE IMPORTS

Question 1,640—**Mr. Allard:**

1. What countries export textile products to Canada?

2. What was the nature and total value of the textile products imported from each of these countries in 1964 and 1965?

3. Was there either an increase or a decrease in imports of the different groups of textile products from each of these countries in 1963, 1964 and 1965 and, if so, by what percentage?

4. Is the government trying to extend the system of voluntary quotas, in effect between Canada on the one side and Japan and Hong Kong on the other, to include the United States, Communist China and other countries?

5. Does the government contemplate extending the limits of the present quotas to include products which are not covered and to defining each category?

6. Is the government giving consideration to demanding sub-quotas designed to prevent oversaturation through concentration?

7. Is the government preparing to bring prices of imported textile products nearer to those of Canadian products by valuing them for customs purposes?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions for documents Nos. 139 and 152 are acceptable to the government.

Notice of motion No. 150 is acceptable to the government subject to the usual reservations respecting confidential documents and subject also to the consent of the provincial authorities of British Columbia.

Would Your Honour call notice of motion No. 137. I would ask that the remaining notices of motion be allowed to stand.

[*English*]

INQUIRY RESPECTING WINTER WORKS, ST. EPHREM DE BEAUCE, QUE.

Question No. 137—**Mr. Langlois (Mégantic):**

That an order of the house do issue for a copy of the inquiry made by Mr. Georges Denoncourt, a national employment service employee in St. Georges de Beauce, in relation to an inquiry made in St. Ephrem de Beauce with regard to winter works between January 1, 1960, and January 1, 1966, inclusively.

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the document asked for in this motion is a privileged document. I would ask the hon. member for Mégantic (Mr. Langlois) whether he would agree to do for this motion what he did in respect of motion No. 138, that is to withdraw it, because of the privileged nature of the document.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I would ask that this motion be transferred for debate.

[*English*]

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

CORRESPONDENCE WITH FORMER MEMBER, ST. EPHREM DE BEAUCE WINTER WORKS

Motion No. 139—**Mr. Langlois (Mégantic):**

That an order of the house do issue for a copy of all correspondence, letters, telegrams, or documents exchanged between the Minister of National Revenue or his department, the Minister of Labour or his department, and Mr. Gérard Perron, former member of parliament for Beauce, from June 18, 1962, until November 8, 1965, in relation to winter works in St. Ephrem de Beauce, between January 1, 1960, and January 1, 1966, inclusively.

Motion agreed to.

Inquiries of the Ministry

LOG DRIVE ON STELLAKO RIVER, B.C.

Motion No. 150—**Mr. Deachman:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any communication exchanged between the Minister of Fisheries of the government of Canada and the Minister of Lands, Forests and Waters or any other minister of the government of British Columbia with respect to the driving or towing of logs on the Stellako river, B.C., for the period January 1, 1966, to date.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it the pleasure of the house that notice of motion No. 150 be deemed to have been adopted.

Some hon. Members: Agreed.

Motion agreed to.

HEALTH AND SAFETY IN FEDERAL EMPLOYMENT

Motion No. 152—**Mr. Knowles:**

That an order of the house do issue for a copy of all correspondence, dated since January 1, 1964, between any railway unions and the Minister of Labour regarding legislation respecting health and safety in employment under federal labour jurisdiction.

Motion agreed to.

BUSINESS OF THE HOUSE

LEGISLATION TO BE DEALT WITH BEFORE SUMMER RECESS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the business he announced for today can he tell the house now what legislation the government intends to complete before the summer recess?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the only comment I wish to make in connection with this question relates to the medical care insurance bill. Last evening this item was listed as one of the items of business for today. I have noted the comments made by the hon. member for Winnipeg South Centre following that announcement. Since that time I have had an opportunity of considering the discussions that have taken place with the house leaders. There has also been a conversation with the government house leader, who is unfortunately absent in Charlottetown on government business. It appears that at one point the government house leader undertook not to proceed with second reading of the medical care bill if a terminal date for a summer adjournment had been reached. That undertaking may have been felt by some hon. members as an absolute undertaking not to proceed beyond the resolution stage. It appears there is some misunderstanding, and that hon. members opposite feel that was the undertaking.

As the minister directly involved with this bill I would much prefer to see the house deal with it in all its stages, but at least to the second reading stage. However, taking into account what may be a deep feeling in regard to an undertaking, the government will not insist on proceeding beyond the resolution stage.

Let me say that the government is dedicated to the principles embodied in this bill because they represent the firm policy of the government. I wish it were possible by agreement of all parties to deal at least with the second reading stage before adjourning for the summer vacation.

Mr. Starr: Mr. Speaker, I gather from the remarks of the minister that he is not going to proceed with second reading before the summer vacation. That being so, and in accordance with the business he outlined yesterday, we will be dealing only with the income tax amendments, the bill in respect of the national arts centre, the bill sponsored by the Minister of Trade and Commerce having to do with amendments to the Canadian Corporation for the 1967 World Exhibition Act and Bill C-215 in respect of the dock workers. That being the case I suggest that if the government can obtain the agreement of other groups in the house we should sit this evening until ten o'clock and again tomorrow with the objective of finishing this business by tomorrow night.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a supplementary question. Irrespective of what private commitments may have been made to the official opposition, the commitments made publicly by the Prime Minister, the house leader for the government and again yesterday by the Minister of National Health and Welfare were to the effect that legislation regarding medicare would be considered. May I also say that no commitment was made by a representative

of this party at the house leaders' meeting, agreeing not to proceed with the medicare legislation.

In view of these facts I should like to ask the minister whether he does not feel just as bound by the public commitments which he and other ministers of the government have made, as he apparently feels bound by the private commitment that was made by the Minister of Public Works.

Mr. MacEachen: Mr. Speaker, yesterday in reply to a question posed I think by the hon. member for Burnaby-Coquitlam I stated it would be my preference to complete at least second reading of the medical care bill. I also added that it was not a commitment. If my hon. friend will look at the record he will see this is so. It is still my preference to proceed with the second reading of the bill at least, but I will not insist upon it in the absence of common agreement in the house because of what appears to have been an understanding, or a misunderstanding, between the house leader—

Mr. Churchill: It was a clear understanding. Quit waffling.

Mr. MacEachen:—and the members of the official opposition.

Mr. Douglas: A further supplementary, Mr. Speaker. May I ask the minister whether the Minister of Public Works did not make a formal commitment in this house on June 6, and whether the Prime Minister has not also stated both in the house and outside the house, his latest quotation being last Sunday on radio, that the medicare legislation would be proceeded with before the summer recess?

An hon. Member: No—the resolution.

Mr. MacEachen: The medical care legislation will be proceeded with in this session; there is no doubt about that. The government is firmly committed to the policies in the medical care bill, and if it cannot be dealt with by agreement before the summer recess, then it will be one of the first items of business in the fall.

I have examined carefully all my own statements on this point, and I have examined the statements of the Prime Minister. In all cases we have expressed the hope that we could deal fully with the legislation, but there has been no firm commitment in the house by the Prime Minister or myself that we would pass all the stages of the bill. I have not examined statements made by the house leader, but as the minister involved in the medical care bill I am dedicated to getting it through and wish all parties would agree to give it second reading before the summer adjournment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare. Will he make it clear, in light of the inquiries he must have made today, that if there was any commitment made by the Minister of Public Works not to proceed, it must have been made privately to one or two house leaders and not to all of us? In other words, Mr. Speaker, on a point of order, no such commitment was made to this house leader. I made it clear that we wanted to go all the way and that we expected the government to stand by its commitment to do so.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Douglas: Mr. Speaker, may I rise on a point of order with respect to the business of the house. I would point out that commitments have been made with respect to proceeding with medicare prior to the summer adjournment. The first commitment was made by the Minister of Public Works on June 6, as reported at page 5979 of *Hansard*. He said:

> Mr. Speaker, recently in the house and in meetings with other house leaders the government has been asked to indicate the business which it proposes to bring forward in this part of the present session. I should like to indicate that the major items which the government proposes for consideration, in addition to those already before parliament, are the medicare bill; the Bank Act revisions; a bill to amend the crop insurance legislation—

—and so on. This was a definite commitment.

Mr. Churchill: Which page is that?

Mr. Douglas: This was on June 6. May I point out that on July 7 the Prime Minister, in answer to a question from the hon. member for Winnipeg North Centre, said as reported at page 7305 of *Hansard*:

> It is our intention to introduce, I hope within a very few hours, the resolution dealing with medicare, and it is still our hope to get the legislation through all its stages with the least possible delay.

I would again point out that yesterday, while it is true that earlier in the day the minister of health in that capacity said it was

his hope that second reading would be proceeded with after the passage of the resolution, he did say in his capacity as acting house leader in outlining the business for today, as reported at page 7606:

> Mr. Speaker, the order of business for tomorrow is the income tax amendments; the national arts centre; Bill C-215, which is the dock workers bill; second reading of the medical care insurance bill—

Hon. members had every right to assume that this legislation would be proceeded with; and if the government thinks that compulsory arbitration for dock workers is important, surely medicare legislation is equally important in view of the commitments the government has made.

EXTERNAL AFFAIRS

NORTH VIET NAM—REPORTED INTENTION TO EXECUTE U.S. AIRMEN

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. Since, as the minister has frequently stated, the Canadian representative on the international commission in Viet Nam has easy and welcome access to the government of North Viet Nam, will Canada use her good offices as a member of the international control commission to do everything possible to persuade the government of North Viet Nam not to execute the United States airmen who are prisoners of war in that country? The obvious consequences of such a barbarous act would be disastrous for everyone.

Hon. Paul Martin (Secretary of State for External Affairs): I will take notice of my hon. friend's question, Mr. Speaker.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Could the minister tell us whether the government of North Viet Nam is a signatory of the Geneva convention of 1949 regarding the treatment of prisoners of war?

Mr. Martin (Essex East): This question is now being examined.

Mr. Speaker: Order, please. This question is not acceptable.

Hon. Gordon Churchill (Winnipeg South Centre): A supplementary question to the Secretary of State for External Affairs. Does the minister know of any more serious situation with regard to the war in Viet Nam than the reported statements that United States airmen may be tried publicly and executed publicly by the North Vietnamese; and does he not agree that this surely would have no other effect than an escalation of the war?

Mr. Martin (Essex East: I quite agree.

INDUSTRY

INSTRUCTIONS FROM U.S. RESPECTING FLOUR FOR CUBA

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 and ask whether his attention has been drawn to a statement which appears in the press, attributed to the manager of the Quaker Oats Company at Peterborough, to the effect that his company has been ordered by their parent company in the United States not to mill flour for Cuba.

I want to ask the minister whether he has verified the accuracy of this report, and if so, what action the minister proposes to take in the light of his research.

Hon. Robert Winters (Minister of Trade and Commerce): This morning I spoke to the president of Quaker Oats and he denied categorically that any such instruction had been received from the parent company in the United States.

Mr. Douglas: I have a supplementary question, Mr. Speaker. May I ask the minister whether he has been in touch with the other milling companies mentioned, subsidiaries of United States companies, and whether he got a similar reply from them?

Mr. Winters: Yes, we have been in touch with the other milling companies and they have received no such instructions.

Mr. H. A. Olson (Medicine Hat): On a supplementary question, Mr. Speaker. I wish to address my question either to the Minister of Trade and Commerce or to the Minister of Finance. Can either of them tell me whether tenders have been called for the gristing of the flour portion of our first year's contract with the U.S.S.R.; and if so, have any of these United States subsidiary firms placed bids?

Hon. Mitchell Sharp (Minister of Finance): May I take this question as notice, Mr. Speaker. I will also say that I have never known of any instances of United States mills having turned down any business with the U.S.S.R.

[*Translation*]

AGRICULTURE

REQUEST FOR ADOPTION OF LEGISLATION RESPECTING LIVESTOCK FEED BOARD

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Minister of Forestry.

Following the many telegrams sent yesterday by the Catholic Farmers Union requesting the passage of Bill C-218 before the summer recess, can the minister make a statement to the house and to the Catholic Farmers Union in that connection?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, the order of business for today was given yesterday and if the session is extended, I suppose we will probably be able to discuss this bill later.

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker.

The minister has undoubtedly met the president of the Catholic Farmers Union concerning Bill C-218 but has he not promised the Catholic Farmers Union that that bill would be considered before the summer recess?

Mr. Sauvé: No, immediately after first reading, Mr. Speaker, we sent a copy of the bill to all concerned. Most of them had an extemely interesting reaction, favourable to the bill, and I made no commitment concerning the business of the house, which is not within my control.

[*English*]

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO FURTHER DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I wish to ask the Minister of National Health and Welfare whether he intends to meet shortly with the provincial ministers of health to discuss medicare and, if so, whether a date has been set for such a meeting.

Hon. A. J. MacEachen (Minister of National Health and Welfare): I think I said last Friday, Mr. Speaker, that I expected to have a meeting with the ministers of health. Most of them have wired me that it would be inconvenient for them to meet at that particular time. I think only one of them expressed an interest in a meeting at any future time.

Inquiries of the Ministry

Mr. Fulton: A supplementary question, Mr. Speaker. Am I to understand from what the minister has said that there is no arrangement to meet or that no date has been set? Can the minister say whether or not a meeting is planned?

Mr. MacEachen: No meeting is planned at present, Mr. Speaker.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Does he intend during the recess to meet with the provincial health ministers to discuss with them the federal medicare program.

[*English*]

Mr. MacEachen: Mr. Speaker, as I indicated to the hon. member for Kamloops, I had invited the ministers of health to come to Ottawa last week to discuss medical care proposals. Because most of the ministers had other commitments the meeting was not held, and since that time I have made no plans to convene another meeting.

Mr. Ricard: A supplementary question. I want to know whether it is the intention of the minister to make another effort to ascertain the views of the provincial ministers with regard to the federal plan. That is the question to which I should like an answer.

Mr. MacEachen: Mr. Speaker, it is not my intention at the moment to convene another meeting.

IMMIGRATION

REQUEST FOR EXTENSION OF CUT-OFF DATE

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Minister of Citizenship and Immigration following the question asked him yesterday. In view of the telegram received by the minister from Hon. John Yaremko, Ontario provincial secretary and minister of citizenship, in which he urged that the July 25 deadline in the minister's immigration policy be extended to October, and in which he also pointed out that the qualifications required for immigrant status in the fields of education and employment are too stringent, will the minister give consideration to this matter, and will he tell us whether he has arrived at any conclusion?

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, it is certain that the date which has been set must not result in cancelling, for all practical purposes, the policy I announced in the house. Up to now, there is no indication that the July 25 deadline will prevent the great majority, if not all, of immigrant visitors from submitting their applications.

If it is established that this date is actually an obstacle to the application of the new regulations, I shall be ready to reconsider the matter.

Mr. Marcel Prud'homme (Saint-Denis): Could the minister tell us whether he intends to launch a more intensive publicity campaign, in order to get in touch with the greatest possible number of non-immigrants who might not understand enough English or French and who might be interested in his statement of Friday, July 8 last?

Mr. Marchand: Mr. Speaker, as early as next week, advertisements will be published in all foreign language papers of Canada to announce the new policy. We hope, in this way, to get in touch with the greatest number of people concerned.

[*English*]

Mr. Starr: May I ask a supplementary question. Has the minister determined that the criteria to be applied to immigrants seeking permanent status in Canada should be at least eight months' employment and the equivalent of ten years of schooling in Canada?

[*Translation*]

Mr. Marchand: No, the conditions enumerated in my statement to the house are not to be added, that is to say if someone has held a job for eight months it will not be necessary for him to have say, the ten year study qualification. Then—

[*English*]

You do not add the conditions. You may fulfil one condition and that is enough. Does that answer your question?

Mr. Starr: No. My question is this. In many instances there are elderly people, perhaps the parents of Canadians who have been brought over to this country, who do not have the necessary qualifications under either of these criteria. Will they be deported, or will they be allowed to stay?

[Mr. Starr.]

Mr. Marchand: You mean those who can be classified as sponsored immigrants, for example?

Mr. Starr: They came here under visitors' visas and wish to remain.

Mr. Marchand: They might be the mothers or fathers of Canadian citizens who were landed immigrants, and they will be dealt with in that way.

Mr. W. H. A. Thomas (Middlesex West): I am not quite clear on the answer the minister gave to the last question asked by the hon. member for Ontario. It seems to me that when a foreign visitor here has worked for four months, for instance, he should be entitled to the same consideration as one who has worked for eight months. It seems to me there could be some discrimination. I should like to ask the minister if he would be prepared to review this criterion of eight months of employment with a view to modifying it if he finds it may work some injustice.

[*Translation*]

Mr. Marchand: Mr. Speaker, the condition of having worked or having held a job in Canada for eight months is one of the requisites. There may be an immigrant or a visitor who, not having worked for eight months will nevertheless meet the other qualifications called for, that is having the required education or falling into one of the categories mentioned. Then, he would not be required to have worked eight months; but, for those who will lack the other qualifications, the sole qualification of having worked for eight months will enable them to remain in Canada.

[*English*]

This does not mean that everyone will have to work eight months. I do not know if I have made myself clear.

TRANSPORT

ST. LAWRENCE SEAWAY—FINE LEVIED BY U.S. AUTHORITY AGAINST CANADIAN TOWING COMPANY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Secretary of State for External Affairs of which I sent him notice. I ask the minister whether his attention has been drawn to the fact that a United States governmental authority has levied a fine of some $380,000 against McAllister

Towing Limited of Montreal for the reason that McAllister Towing, upon request, assisted a United States tug in making a tow from the St. Catherine lock on the St. Lawrence seaway to Port Colborne, all in Canadian waters. Will the minister look into this matter and make whatever representations are necessary to preserve Canada's sovereignty?

Hon. Paul Martin (Secretary of State for External Affairs): My hon. friend gave me notice of this question. I have had no direct communication from any of the parties concerned, but I am informed that the solicitors for McAllister Towing Company Limited have brought this matter to the attention of the Canadian Maritime Commission, and they have the question under review. This being the case, I think it would be undesirable for me to add anything except to make clear that according to our information the tow occurred between Montreal and Port Colborne, hence partly in United States waters. I should also like to inform the hon. gentleman that according to our information the amount of the fine involved has been considerably reduced by the United States authorities. This, of course, does not affect the principle to which my hon. friend directs my attention. With these facts and others I will elicit, I will certainly look into the matter further.

CANADIAN CENTENNIAL

INQUIRY AS TO ORGANIZATION OF YOUTH PARLIAMENT

On the orders of the day:

Mr. J. M. Forrestall (Halifax): I should like to direct a question to the Secretary of State. Is the hon. lady now in a position to advise the house as to the present status of the centennial youth parliament?

Hon. Judy V. LaMarsh (Secretary of State): I regret that as a result of the pressure of business in the last few days, consideration at cabinet level has not yet been concluded. As I undertook previously, if a decision is not made before the house rises I undertake to write and advise hon. members at once. I wonder, Mr. Speaker, if I may have unanimous consent to revert to motions to make what I think is a very short announcement respecting colour television.

Mr. Speaker: Is it agreed? Perhaps it would facilitate matters if the minister were allowed to revert to motions after we have concluded the question period, which is limited to 30 minutes today.

TRADE

DEBATE ON PROTOCOL TO CARIBBEAN CONFERENCE AGREEMENT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Trade and Commerce, who acted as chairman of the trade meeting with the Caribbean countries. In view of the apparent disagreement over the method of ratification of the protocol, can the minister say if there was any understanding at the meeting as to whether this matter would be going back to the various countries for approval?

Hon. Robert Winters (Minister of Trade and Commerce): I am not aware of any such disagreement. I thought it was clearly understood what was set forth in the protocol and the method of processing it. I would be happy to talk to the hon. member about any disagreement of which I am not aware.

Mr. Bell (Saint John-Albert): In view of the disagreement in the maritime provinces as well as the widespread worry in commonwealth countries about these important changes, does the minister feel we should be given a chance to express our opinion on this matter?

Mr. Winters: I will have to take that as notice. I am not aware of this disagreement.

LABOUR RELATIONS

HAMILTON, ONT.—STEPS TO SETTLE STRIKE OF LONGSHOREMEN

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): I should like to direct a question to the Minister of Labour. In the light of the walkout of 190 stevedores at Hamilton, members of the International Longshoremen's Association, which is connected with the Montreal wage base agreement, I am wondering if the minister's attention has been drawn to a request made by the international longshoremen to the Department of Labour for assistance in settling this matter?

Hon. J. R. Nicholson (Minister of Labour): The answer is yes, Mr. Speaker. It was brought to my attention late the day before yesterday. One of our senior officers was assigned to the work immediately.

Mr. Macaluso: May I ask a supplementary question. When will that meeting occur?

Inquiries of the Ministry

Mr. Nicholson: Exploratory meetings have taken place. It is my understanding that officials of the unions of the longshoremen's association in eastern Canada are meeting in Montreal today.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): I word my question in the following way and ask it of the Minister of Finance. Has the government studied the serious and urgent implications involved in the publication at the end of last week of the D.B.S. figures relating to the cost of living? While I do not ask him for specific details of measures, I ask if specific measures are being considered at this time in view of the announcement.

Hon. Mitchell Sharp (Minister of Finance): The government is doing everything within its constitutional jurisdiction to restrain inflationary tendencies. I hope I have the full support of all hon. members in that direction.

EXTERNAL AFFAIRS

VIET NAM—SENDING OF TROOPS BY WARSAW PACT COUNTRIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Secretary of State for External Affairs. In view of the fact that Poland is a member of the international commission on Viet Nam, has Canada protested or does Canada intend to protest to Poland about the stated intention of Warsaw pact countries, including Poland, to send troops if requested to North Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I hope to be seeing the Polish ambassador soon and I will be discussing a number of general problems with him.

Mr. Nesbitt: A supplementary question. In view of Poland's stated intention, does the government of Canada now feel free to render aid to South Viet Nam should this be considered desirable?

Mr. Martin (Essex East): Mr. Speaker, the government of Canada has never felt that it was restricted in granting aid to South Viet Nam, and it has so indicated.

Hon. Gordon Churchill (Winnipeg South Centre): A supplementary question. In view of the last statement of the minister may I point out that the minister has relied on the fact that Canada was a member of the international control commission for refusing anything in the way of military assistance, or even the sending of medical personnel, to help the people who are fighting in South Viet Nam. Would the minister care to correct the answer he made just a minute ago?

[Mr. Macaluso.]

Mr. Martin (Essex East): Mr. Speaker, I do not think there is any occasion to correct my answer. I would simply repeat what both the Minister of National Health and Welfare and myself announced jointly last week, that under the external aid program, the government has agreed to send medical equipment, beds, supplies, medicines and so on to assist the people in South Viet Nam.

Mr. Andrew Brewin (Greenwood): A supplementary question. Can the secretary of state assure the house that whatever the attitude may be of the Polish government, this government has no intention of extending military aid to South Viet Nam?

Mr. Martin (Essex East): I made that quite clear last Friday.

MAINLAND CHINA—REPORTED BAN ON TOURISTS

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, while I am on my feet I should like to say to the hon. member for York South in answer to his question that it has now been learned that a group of 21 Canadian teachers now in Hong Kong who had made arrangements to tour Communist China have been granted visas, and will be leaving Hong Kong for China in approximately four hours' time.

HOUSE OF COMMONS

REPORT OF CHIEF ELECTORAL OFFICER ON LAST ELECTION

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I have a question for the Secretary of State of which I have given her verbal notice. When will the members of this house receive the report of the chief electoral officer pertaining to the twenty seventh general election on November 8 last, pursuant to subsection 6 of section 56 of the Canada Elections Act?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I thank the hon. member for

giving my office notice of this question. I have checked with Mr. Hamel, and the chief electoral officer advises me that this report is many thousands of pages in length. Normally in the past it has taken eight to ten months to prepare and print it after each election. He informs me that members may expect to have it some time during the month of September.

HEALTH AND WELFARE

ESTROGEN—TREATMENT OF ANIMALS USED IN DRUG PRODUCTION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I should like to ask the minister whether the government has had any discussions with the Ayerst-McKenna Company in Montreal, which I am informed has a monopoly on the production of the drug estrogen, in connection with ensuring that no inhumane practices are involved in the treatment of animals which are required for the production of this drug.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I myself have had no discussions. I will inquire whether my officials have had any discussions on this matter.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPORT ON DISCUSSIONS WITH UNIONS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I would like to direct a question to the Minister of Labour.

Can he tell the house how much progress has been made by the ministerial committee in the conflict which involves, on the one hand, the C.N.T.U. and the employees of the C.B.C. French network and, on the other hand, the National Industrial Relations Board about the definition of the negotiating unit?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, for some reason that I have not been able to understand the transcript of the proceedings of the meeting of the cabinet committee with the Canadian Labour Congress and the railway brotherhoods when they made their submissions is not yet available. Whether this is because of a shortage of translators or whatever the reason, the committee has not received the copies of the transcript. We are anxiously awaiting it, and will give the matter prompt attention when the transcript is received.

BUSINESS OF THE HOUSE

COMMITTEE CONSIDERATION OF LABOUR SAFETY CODE

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, while I am on my feet, may I deal with a matter that was raised by the hon. member for Ontario during the question period a few days ago.

In reply to the question asked by the hon. gentleman with regard to Bill S-35, may I say this. He asked whether an opportunity would be given to interested organizations to present their views to a committee of this house. I stated that such an opportunity had been afforded in the other place to appear before that committee, and some organizations had taken advantage of it. However, since now there are others who want to be heard they will be afforded the opportunity to so appear. It is the intention of the government to refer this matter to the committee of this house on labour and employment as one of its first items of business after the recess.

• (3:20 p.m.)

TELEVISION

ANNOUNCEMENT RESPECTING ALTERATION IN TIMETABLE FOR COLOUR TRANSMISSION

Mr. Speaker: Order. I understand the Secretary of State wishes to revert to motions for the purpose of making a statement. Does the house agree?

Some hon. Members: Agreed.

Miss Judy V. LaMarsh (Secretary of State): Mr. Speaker, the house may recall that last September the government announced its decision to implement the introduction of colour television in Canada by a three-stage process.

By this decision, stations prepared to undertake colour casting were permitted to commence test transmissions during the night-time period starting July 1; to begin regular colour transmissions on a shakedown basis on October 1; and to have all colour transmissions up to full technical requirements by next January 1.

This timetable was worked out in consultation with all interested parties and was accepted by them at that time. The primary consideration in setting the various dates was the need to allow sufficient time for the necessary technical installations and staff training.

In recent months, however, it has become apparent that technical preparations for colour casting are advancing within the industry on a much quicker basis than had been anticipated. In view of these developments, representations have been made to the government, particularly by the Canadian Association of Broadcasters, to amend the colour timetable accordingly and especially to move up the October 1 date for full colour transmissions to coincide better with the start of fall program schedules.

The government has given consideration to these representations and, in view of the declared readiness of the various elements of the broadcasting industry to meet an earlier date, we are now prepared to authorize full colour transmissions as of September 1. The remaining four months of this year will continue to be treated as a shakedown period during which minor equipment and operating adjustments can be made in order that all technical requirements may be met as of January 1.

The decision to permit full colour transmissions is open to both the public and private sectors of the broadcasting industry. In the case of the Canadian Broadcasting Corporation, however there is a caveat. Any alteration in its plans will have to be carried out within the limits of operating and capital funds already approved for the current fiscal year. This is in keeping with the government's view on this subject as outlined in the white paper on broadcasting.

Mr. Speaker, I believe the advance of one month in the introductory date for full colour transmissions will be of value both to the broadcasters and to the viewing public in permitting both to enjoy the benefits of colour from the outset of the fall program season.

Mr. L. R. Sherman (Winnipeg South): Members of this party heartily welcome the announcement which the hon. lady has just made with respect to colour telecasting in this country. We are delighted that technical developments as outlined by the minister have been proceeding faster than anticipated, and that the colour schedule can be up-dated as a consequence. We certainly think the news will be welcomed by all Canadians, at least by those of them within range of television outlets.

Colour telecasts on an east-west basis can, in the opinion of hon. members of this party, make a great contribution to Canadian unity and will be particularly valuable in centennial year. Hopefully, the new medium will provide a great opportunity for Canadians from coast to coast to experience in living colour, as the phrase goes, the beauties of this land in all its provinces and all its various regions. In addition, the colour telecasting of many of the great centennial pageants and programs which are planned should serve to inspire all of us with the love for Canada which we all hold, but all too seldom express.

However, colour production is not the be all and the end all of television programming, and we would urge that the government proceed with all possible haste in extending television service to the north and to those other regions which are currently under-serviced. This, we believe, is a primary priority. As I say, while welcoming the announcement with respect to colour broadcasting we hope the government will proceed with all possible dispatch to cover those regions which desire to be included within the broadcasting net.

Mr. David Lewis (York South): The other day the hon. member for Winnipeg South and I had some disagreement with regard to one field of broadcasting. I rise on behalf of this party today to express full agreement with him in his emphasis on the need, first, of extending the opportunity for television reception to areas which do not presently have it. This must be given first priority in our plans, and I do not need to take the time of the house by emphasizing it.

As to colour television itself, I should like to express my fear that the financial limitations which have been placed upon the Canadian Broadcasting Corporation may result in private broadcasting stations securing a really important advance in this field over the corporation. I hope the Secretary of State and her advisors will keep a careful eye on developments so as to avoid the C.B.C. falling behind private broadcasting in this field.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we listened with interest to the statement made by the Secretary of State (Miss LaMarsh) and we are happy to learn that we will have colour television in a not too distant future.

As far as I am concerned, I would have much preferred that the Secretary of State announce that more remote areas, such as the Chibougamau-Chapais area, where people must deposit $200 and must pay a $100 surtax per annum to watch black and white television, would get free black and white television service, like all other regions of Canada.

In any event, I hope that work will continue in the C.B.C. toward providing television service as soon as possible to all northern regions so as to give them the same services as enjoyed everywhere else in Canada.

[*English*]

INCOME TAX ACT

The house resumed from Thursday, July 7, consideration of the motion of Mr. Sharp for the second reading of Bill No. C-216 to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

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

The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Thank you, Mr. Speaker. I am aware that my title is a great trial to you.

An hon. Member: It is to you, too.

Mr. Cameron (Nanaimo-Cowichan-The Islands): It is to me, too, I may say.

I had not intended earlier to speak on second reading of the income tax bill on the ground that most of what could be said had already been said during the budget debate. However, since that time the minister has introduced other legislation in this field which reveals rather clearly, in conjunction with the income tax bill, the economic philosophy of the minister and of the government. In the bank bill it became obvious that the minister's policy was to control inflationary pressures by a certain method. He had two courses open to him; one was that of a monetary course and the other was that of a fiscal course. He has chosen the monetary course.

• (3:30 p.m.)

I was interested to hear him tell us a few moments ago that the government had done everything in its power to control inflationary pressures. I presume he had reference to the pleas which the government made to subordinate governments and private industry to curtail expansion in their investment programs. I think this clearly underlines the fact that the choice of the monetary method of controlling inflationary pressures is not the most suitable means by which to achieve this end. I would suggest to the minister that had he been prepared to deal with this problem as a fiscal one, he might well be likely to achieve some success. It is pretty well recognized that the principal stimulus to economic expansion, and thereby to inflationary pressures in certain periods, lies not so much in the field of consumer spending power as it does in the level and direction of investment.

I should have liked to see the government tackle this problem, and the other problems in our society, in a fiscal manner. I suggest if the minister and the government are seriously concerned about the dangers of inflationary pressures, then there should have been a review of the level of the corporation profits tax, and a review of the present rather generous depreciation and depletion allowances in order that the drive toward growth and greater investment would have been to some extent curtailed.

After all, a classic method of preventing inflation getting out of hand is to impose taxes on the large corporations which, from their internally generated savings, are able to add to inflationary pressures by an expanded investment program. I would suggest at the same time that had this been done it would also have been advisable to have considered a revision of the personal income tax structure in the interests of equity in our society, and also I would suggest in the interests of some control of the inflationary pressures, because it is fairly well generally accepted now that additions to the purchasing power of certain economic groups, the lower economic groups in our society, do not necessarily lead to inflationary pressures.

Certainly there can be no argument about the necessity for a revision from the point of view of equity. We in this party have urged for a long time that the category of those who are exempt from personal income tax should be enlarged.

I want to make it quite clear, Mr. Speaker, that I am not advocating a revision of the income tax exemptions because I am well aware that if one merely moves up the limit of income tax exemptions, he profits those in the higher income brackets more than those in the lower income brackets. But I do suggest that means should be found whereby married couples, with an income of $3,000 and less, should be exempt from paying

personal income tax, and a single person with an income of $1,500 or less should be exempt from the payment of income tax.

There are a number of devices that can be used to achieve this without running into the difficulty of lifting the tax exemption levels for those in the higher income brackets. I had hoped the minister would have considered this before he brought in this income tax bill, particularly during the time which elapsed between the presentation of his budget and the presentation of this bill.

I want to underline again that if the minister is seriously concerned about inflationary pressures he will have to adopt some other measure than merely causing a rise in interest rates throughout the economy, because I would think it is a moot point as to whether this is really going to tackle the problem of inflationary pressure. It will have almost no effect on the investment programs of the large investing corporations of this country, and will likely add to the troubles of those whom he has not relieved in the lower income brackets.

So, Mr. Speaker, I had hoped that at some point the minister would have revealed that the government is, in the first place, really concerned with inflationary pressure, that it is also concerned with an equitable distribution of income in our society, and concerned with the problem of evening out some of the present injustices that are inflicted, not merely by the income tax structure but by the whole structure of our economy, injustices that the government could do something to alleviate.

I find the bill very unsatisfactory from that point of view but, as I say, I said most of this in the budget debate. This bill, coming after the bank bill, reveals perfectly clearly that the government is concerned more with certain sections of the community than with others, that it hesitates—and the minister is hesitating now in this bill and in the bank bill—to impose any burden on those powerful interests in our society who hold in their control the power of inflicting inflation on the country, and economic injustice on a large group of our population. They are the powerful members of our society, the more fortunate segments of the population, and it is very obvious that they are going to be protected by the government even at the expense of the ordinary citizen.

Hon. J. W. Monteith (Perth): Mr. Speaker, I do not propose to speak at length at this stage because the items in the income tax bill have been dealt with both in the budget debate and at the time we considered the budget resolutions. We shall be considering the individual clauses of the bill presently, and shall have some questions to ask at that time.

However, I wish to comment on the statement made by the previous speaker, who doubted whether an increase in the interest rates would contain inflation. I think it can be said that an increase in interest rates comes down to an increase in the cost of living. If an industry has to pay more for its borrowings it will pass the cost on, and the cost of living will suffer.

But I do not propose to get into a dissertation on taxing theory at this time. I know the minister has some amendments to offer once we get into committee, and I propose to make my further remarks at that stage.

• (3:40 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would like to make a few brief remarks about clause 4 of Bill No. C-216 which deals with charitable donations and reads as follows:

(a) the aggregate of gifts made by the taxpayer in the year (and in the immediately preceding year, to the extent of the amount thereof that was not deductible under this act in computing the taxable income of the taxpayer for that immediately preceding year) to

(i) registered Canadian charitable organizations.

It seems to me that the minister has not yet cleared up the matter of charitable donations, because again this year the employees of the Income Tax Division took pleasure in reducing the amounts claimed, in slashing the receipts, in questioning the official receipts duly signed by the religious authorities concerned in our province.

For two or three years now we have been asking the minister to come to a decision. If he feels that 10 per cent of the income is too much, he should set a rate of 5.5, 6 or 7 per cent, but let it be for all the people. Let us stop sending government inspectors or income tax inspectors to our rectories, our religious institutions, to annoy everybody, to look into the books to find out if the parish priest or the parish concerned truly received the amount claimed by the taxpayer.

It seems to me that such annoyance could be completely avoided if the minister took the trouble to study the situation seriously. But only half-hearted consideration is given to that matter, it is left in abeyance; of

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

course, our complaints are listened to in this chamber, but the act continues to be administered rather strangely in that respect. No one is above suspicion, the parish priest who gives a receipt or the charitable organization or the taxpayer, and the Income Tax employees are those who decide if a man gave $125 instead of $225, or $75 instead of $150. It seems to me that, when an income tax return is accompanied by authentic receipts, such receipts should be respected and the government employees, its bureaucrats, should stop poking into those charitable receipts.

I am calling the attention of the Minister of Finance (Mr. Sharp) to that matter, I am urging the government to study the advisability of setting a uniform rate for everyone, to put a stop to those annoying investigations about charitable receipts.

Such are, Mr. Speaker, the few comments I wanted to make and which I have been repeating year after year since 1962. The minister listens, hears, smiles, thinks that it might be a good thing; but nothing is ever done about it in the legislation. I am urging the minister to study the situation seriously and find a solution to that problem, which is a source of annoyance to all our charitable organizations throughout Canada.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I shall take only one minute of the time of the house to support what the hon. member for Villeneuve (Mr. Caouette) has just said.

I am not always in agreement with what he says in the house and I sometimes think that he makes very impetuous statements but, in this case, I think he could have been more fiery in his speech. I shall spare the house the reading of a rather heavy file of complaints I am getting from my electors, well-founded and well proven complaints with proof attached, from members of the clergy, including some with a certain standing.

I am ready to admit, Mr. Speaker, that abuses have occurred. That is true but I think this is not sufficient reason to justify the treatment now being handed out to people who behave correctly. I support the proposition of the hon. member for Villeneuve to the effect that, if the Departments of Finance and National Revenue were to seek and find a formula to set an acceptable percentage of income as charitable donations, this would be more equitable for all concerned.

The present system is meddlesome and unjust, and I have a lot of proof that officials of the department have been forced to correct their first assessment, following a long correspondence which wasted everybody's time and which was costly and left a very bad impression on the parties involved. So, I support the motion of the hon. member for Villeneuve and I believe that I am not the only one with this opinion, because I have heard the comments of several members who also feel that the present system is unacceptable. As a result, we suggest that the government should find the means to correct the situation at the earliest possible moment.

[*English*]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Rinfret in the chair.

On clause 1—*Previous reserve for quadrennial survey, etc.*

Mr. Sharp: Mr. Chairman, on second reading I said I would propose amendments in this bill to remove from the bill all references to the Canadian Vessel Construction Assistance Act. At that time I said it had been the belief of the government that it would be more efficient to include in the income tax bill the substantive provisions of the Canadian Vessel Construction Assistance Act. However, after the bill was published many hon. members, including myself, received representations from the industry asking to have an opportunity for consultation. Accordingly I said in the house that in order to provide for that consultation I would, when I had an opportunity, move for the deletion of the relevant clauses so that they could be brought forward again for consideration after we had had consultation with the industry.

Therefore, Mr. Chairman, I would ask my colleague the Minister of Industry to move that Bill C-216, an act to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, be amended as follows:

Page 1

(a) strike out the title and substitute the following: "An Act to amend the Income Tax Act.";

(b) strike out clause 1 and the heading preceding clause 1 and subclause (1) of clause 2.

Page 2

Renumber subclause (2) of clause 2 as subclause (1) of clause 1.

Page 3

(a) renumber subclause (3) of clause 2 as subclause (2) of clause 1;

(b) strike out subclauses (1), (3) and (4) of clause 3 and renumber subclause (2) of clause 3 as clause 2.

Pages 4 to 23

Strike out subclauses (5) and (6) of clause 3 and renumber clauses 4 to 19 as clauses 3 to 18.

Page 24

Strike out clause 20 and the heading preceding clause 20.

Mr. Drury: I so move.

Mr. Sharp: I regret that these are so complicated I have prepared for the Chairman an annotated version of the bill. Briefly, the amendments remove from this bill all reference to the Canadian Vessel Construction Assistance Act; that is all they do. I shall have copies of the amendments distributed to some hon. members.

Mr. Bell (Carleton): Mr. Chairman, may I say that this bill seems to be most noteworthy because of what is struck out from it and that what is not contained in it. The hon. gentleman has now sought, at the solicitation of the hon. member for Saint John-Albert, to drop all those references to the Canadian Vessel Construction Assistance Act so that there may be an opportunity to consult those persons who are most affected. The hon. gentleman for Saint John-Albert raised this on a number of occasions and I am glad that his solicitations have been listened to by the Minister of Finance. But in addition to that, sir, the bill is especially noteworthy because of the fact that it contains no mention whatever of resolutions 11, 12 and 13 of the budget resolutions, and I think that is extraordinary.

• (3:50 p.m.)

I do not know of any occasion when the income tax legislation has been left so long before being considered by the house and I do not see any reason why resolutions which have stood on the order paper for a period of months should not have been incorporated in the legislation. I think this has caused a considerable degree of upset among these persons who are interested in deferred profit sharing and in matters which are covered by resolutions 12 and 13. It was finally drawn from the minister within the last week that he planned to introduce a further bill later in the session. He should let us know now, before we go further, just what is the problem. Is the minister now seeking to change the principle he outlined in resolutions 11, 12 and 13? Surely with the skill of members of the Department of Justice, there is no problem in drafting the legislation based on these resolutions. They have been on the order paper for many months. Surely the minister could have brought the legislation forward before now. He owes it to this committee and those who are interested to set forth in detail what he plans to do in respect of section 79(C) which has to do with deferred profit sharing plans. Why has he delayed and why does he not bring this forward now? Under what circumstances does he intend to bring forward legislation implementing these resolutions at a later date of the session?

Mr. Sharp: Mr. Chairman, the reason we have not brought forward legislation to implement all of the income tax resolutions is that the circumstances surrounding deferred profit sharing plans are very complex. I can assure the hon. member that the government adheres to the general principles laid down in the resolution. It may be we will find, after examining the great variety of circumstances which exist, that we will have to ask for an amendment to the resolution. I do not think that will be necessary; but we do want to be sure the legislation we bring forward does in fact deal fairly and equitably with the tremendous variety of plans which have been brought into existence in recent years.

Let me add this. At one stage we thought it might be sufficient to bring forward for consideration immediately only one clause of this bill, but then we felt it desirable to obtain as much certainty as possible in the tax legislation. We decided the alternative of bringing forward all these sections was the better move.

The principal change we felt had to be enacted immediately is that part dealing with withholding tax on the sale of securities of provinces and municipalities. In this regard there was some uncertainty in financial markets as to whether or not we were going to apply the withholding tax. The financial institutions outside this country were not as confident as we might be in this house that these resolutions would be accepted, and we felt it desirable to proceed at least with that part of the act.

It is our intention to proceed with the remainder of the resolutions when the house resumes in the fall, and I do not think the delay will be anything except useful to taxpayers in Canada.

Amendment agreed to.

Clause 1 as amended agreed to.

On clause 2—*"Conversion" and "Conversion Cost".*

Mr. Monteith: Mr. Chairman, I am afraid I have not thoroughly examined clause 2 which has to do with Canadian vessel construction assistance. Is this being deleted?

Mr. Sharp: Mr. Chairman, the substantive clause which we are now on is to be found in the middle of page 3. It appears as subclause (2) of clause 3. It is now renumbered as clause 2.

Mr. Bell (Carleton): Mr. Chairman, this has to do with foreclosure. Does it deal with the proceedings of foreclosure of a mortgage?

Mr. Sharp: Yes. Perhaps I should give a short explanation.

Mr. Bell (Carleton): That would be appreciated.

Mr. Sharp: This amendment is necessary because the present law does not make clear what should be regarded as the proceeds of disposition when a taxpayer's property has been disposed of by reason of foreclosure, and the amount of the taxpayer's liability under the agreement has been reduced. It is necessary to determine the amount of the proceeds of disposition and to determine the amount of terminable losses allowed to the taxpayer, or possibly to determine the amount of recaptured terminable losses.

Clause 2 agreed to.

On clause 3—*Charitable donations.*

[*Translation*]

Mr. Caouette: Mr. Chairman, on clause 4, I said something a while ago and I should like to get an answer from the minister.

Has the government currently under consideration giving the taxpayer a uniform rate, a set rate—and that this rate be made applicable to everybody—regarding charitable donations? Is the minister in a position to tell us what he intends to do in this matter?

[*English*]

Mr. Benson: Mr. Chairman, if one were to accept the proposition put forward by the hon. member for Villeneuve, allowing everyone to claim a certain percentage of their income as a deduction for charitable donations, we would be in effect wiping out deductions for charitable donations and merely increasing the basic exemption. The government has no intention of doing that at this time.

[*Translation*]

Mr. Caouette: Mr. Chairman, everyone now has the right to deduct $100 for charitable donations from his taxable income. Let us take the case of an ordinary Canadian, a Catholic, who goes to mass every Sunday; he gives to all kinds of charitable organizations during the year; he easily gives more than the $100 allowable.

Now, when National Revenue officials reduce by $150 the total amount of charitable donations they say that the taxpayer concerned did not give more than $100. The amount is always brought down to the sum allowed everyone. I think that this causes a serious injustice. It seems to me that when receipts in proper form are submitted to the department, the officials should accept them, because they are not given by idiots, in the province or elsewhere in the country, but by responsible persons.

Now, the act stipulates that we have the right to deduct an amount up to 10 per cent of our income, supported by receipts, of course; but if the 10 per cent is too high for the whole population, would 5 per cent or 6 per cent be acceptable by the department, so that officials may stop inquiring in rectories or of charitable organizations as they are doing now? Could the minister give us additional information?

• (4:00 p.m.)

[*English*]

Mr. Benson: Mr. Chairman, I have been very much involved in this problem regarding charitable donations and the issuing of receipts. In some instances these receipts exceed the actual amount donated by an individual to a particular charity. The provisions of this bill, which will come into effect in 1967, will wipe out entirely the necessity of looking beyond the receipts as such, because the charitable organization will have to show to the government of Canada the total amount it receives. Presumably in order to determine the amount, the charitable organization will be in a position to issue receipts for this amount of money. The two will balance, one with the other, and the government of Canada will not have to look beyond the receipts as such.

[*Translation*]

Mr. Caouette: I have a supplementary question for the Minister of National Revenue.

Can the minister tell us whether, at the present time, inspectors of his department go

into rectories and ask to look at the parish records in order to determine if such an amount has actually been collected or donated and whether or not the amounts of receipts filed with the department exceed those declared or listed in the records? Are inspectors still visiting rectories or organizations in order to check the books of a parish, for instance?

[*English*]

Mr. Benson: Mr. Chairman, the department does not try to verify the books of charitable organizations, be they parishes or otherwise. What the department tries to do is determine that the amount of the receipts issued by a particular charitable organization is equivalent to the amount of money the charitable organization has taken in. When we find that receipts from a particular organization appear to be very high, we may go to the charitable organization and say, "Did you actually receive this amount of money?" If the charitable organization says, "No, we did not. We simply issued the receipts", then we reduce the amount claimed by the individual. In every case where we reduce the amount claimed we give the particular taxpayer the opportunity of substantiating that he really did give this amount of money claimed, or we give the person in charge of the charitable organization the opportunity to say that this amount of money was given to it.

I believe that the problem has been dealt with fairly by my department under the existing law. However, I believe that the new section of the act which will be coming into effect in 1967 will take away from my department the necessity of trying to find out whether the amount of money was actually received by a charitable organization, because they will be filing a financial statement saying that they received so much money and issued receipts for that amount.

[*Translation*]

Mr. Caouette: Mr. Chairman, can the minister tell me under what criteria those officers deal in all fairness, as he has just said. If the minister believes that, I do not. But what criteria are applied in the Department of National Revenue to enable them to tell a Canadian citizen: "Your receipt in the amount of $125 is not correct, we bring it down to the $100 now allowed to any Canadian citizen." On what basis can they cut into a $125 receipt and bring it down to the $100 already allowed everybody? Then, you would simply have to say to all Canadians: "Listen, deduct $100, and nothing else." But what basis do they use? Surely this is unfair, for there is not a single Canadian who does not donate more than $100 per year to charitable organizations across Canada.

One hundred dollars per year, that is mockery. And then they cut into small receipts of $200, $225 claimed by ordinary workers, while big shots have the privilege of playing with large amounts, to use detours. The small worker, the farmer, cannot cheat the Income Tax Division, because tax is deducted at the source, and when he claims a deduction for charitable donations, it is brought down to $100 from $200.

I would like the minister to tell me on what basis his departmental officials can establish this $100 amount, to which everybody is entitled?

[*English*]

Mr. Benson: Mr. Chairman, first of all I should like to say that we do not cut everybody down to $100. Our department tries to allow every individual in Canada who has given an amount of money to a charitable organization the full amount of the gift he made. I said previously that in some instances there may be misrepresentation, albeit entirely unintentional, and explained the method we use for checking into the matter.

Mr. Crouse: Mr. Chairman, a question comes to my mind as a result of the answers given by the minister to the questions just asked by the hon. member for Villeneuve. The minister dealt specifically with donations of money which could be deductible. I should like to ask him this question: How do the departmental officials assess a contribution in kind, such as a donation of time? I give this example: If a house painter decided to paint a church and worked at it for a period of three weeks or a month, and received from the priest or the minister a receipt for, we will say $300, is this receipt acceptable for income tax purposes? In this case the man would have contributed, not cash but his services in time, and paint.

Mr. Benson: No, that is not deductible. It would be deductible if in fact the church, for example, paid the fellow $300, which he took into income and then turned around and made a donation to the church of $300. But since he has taken nothing into income, nothing is deductible.

Mr. Monteith: Mr. Chairman, this clause comes into force on January 1, 1967. I am wondering whether there will be any method by which a person making a gift to a charitable organization will know whether his donation will be deductible for income tax purposes.

Mr. Benson: Yes, Mr. Chairman. The main reason for allowing almost a full year before this provision comes into effect is to give all organizations the opportunity to register, as is required by this particular clause. They will then be notified that they are registered and will simply notify their donors, in 1967, of the fact that they are registered. In the vast majority of cases there will be no problem in regard to registration.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, in looking over this clause of the bill recently I was trying to find some place where "charitable organization" was defined. I know it is not defined in this bill, and wonder whether there is a definition of it in some other statute.

Mr. Benson: It is not defined in this particular clause because it is an amending clause, of course. Section 62 (1) (e) of the Income Tax Act defines a charitable organization as follows:

> A charitable organization, whether or not incorporated, all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof;

In using "charitable" in this sense we take the common dictionary meaning of that word.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I notice that in clause 3 (2) of the bill provision is made for donations to various organizations organized under the law of the United States that would be allowed as deductions under the United States Internal Revenue Code.

• (4:10 p.m.)

A question that comes to my mind is that in subclause 1 there is a provision for charitable organizations outside Canada to which Her Majesty in right of Canada has made a gift by making them eligible. I wonder why this distinction is made.

Mr. Benson: This comes under the existing law, section 27 (3). It was inserted to deal with commuters because there are a great many people who work in the United States and live in Canada or work in Canada and live in the United States. An agreement was made between the governments of Canada and the United States that in these particular circumstances deductions would be allowed on each side. Since they now have to become a registered charitable organization, we simply say so in this clause.

[*Translation*]

Mr. Caouette: Mr. Chairman, the definition of charitable organization is not so clear. Are social clubs, for instance, such as the Richelieu Clubs, the Kiwanis, the Rotary, helping unfortunate children throughout the country, are those considered as charitable organizations in this country? The young Scouts, for instance, who sell apples once a year, or any similar organization. It seems to me—and I have proof—that deductions claimed by some Canadians in certain returns are denied.

[*English*]

Mr. Benson: In the case of fraternal organizations or clubs to which my hon. friend referred, ordinarily the fees paid to a Kiwanis club or a Rotary club are not deductible as they would be in the case of charitable organizations because these clubs have other purposes than that of charity. However, if a charitable trust is set up by an organization, the total amount of the funds of which are used for charitable purposes and not for the benefit of the members, then donations to such a trust would be deductible.

Clause agreed to.

On clause 4—*tax deduction.*

Mr. Monteith: Mr. Chairman, am I right in assuming that what the previous minister of finance, the hon. member for Davenport, has allowed as a deduction in taxes for six months, has now been reduced? My main complaint about this, outside the fact that nobody wishes to pay extra taxes, is that the Income Tax Act sets out the specific rate according to which we arrive at the payable income tax. According to the amendment brought in by the former minister, there was a reduction in the over-all tax which, I believe, in certain cases amounted to $600. This reduction will now be reduced. I am wondering what is the purpose in doing so? Would it not be better to revise the act so that we actually know what rates are applicable, or does the minister intend, at some future date, to allow a greater reduction? Will the present confusion continue?

Mr. Sharp: The principal reason for treating the matter in this way was to avoid any effect upon the revenues of the provinces. After we have had our meetings with the tax structure committee, at which I hope we will arrive at some settlement of tax sharing, and after we have done this in the light of the Carter commission report, I hope we shall arrive at the most logical tax structure in the world.

Clause agreed to.

On clause 5—*amounts receivable.*

Mr. Bell (Carleton): Will the minister explain the clause please?

Mr. Sharp: Clause 6, now renumbered clause 5, is a relieving amendment. Section 64 being amended provides that where a taxpayer who has died had certain amounts due to him that would have been included in his income, his legal representative may choose between several alternatives for calculating the tax on these amounts. This amendment will extend the time for making his choice.

The amendment provided in clause 5(2) will let him change the election within a certain time.

Mr. Bell (Carleton): Is it extended to one year?

Mr. Sharp: Yes.

Clause agreed to.

On clause 6.

Mr. Sharp: I should like to ask the Minister of Industry to move an amendment to line 39 on page 10 by substituting the following therefor:

(2) is applicable to taxation years ending after that day but for the purpose of determining whether the principal business of a corporation for the whole of the taxation year of the corporation that includes March 30, 1966 was trading or dealing in bonds, shares or debentures or any interest therein, the whole of such taxation year shall be deemed to be that portion of the taxation year that is after March 29, 1966.

This amendment is necessary because subclause 3 of clause 6 as renumbered, which provides for the coming into effect of a new rule that a company may not qualify as a non-resident owned company if its principal business includes trading or dealing in bonds, shares or debentures, has retroactive effect and therefore this amendment that I am now asking to be moved is to remove the retroactive effect, which was quite inadvertent.

Mr. Drury: I so move.

[Mr. Monteith.]

Mr. Bell (Carleton): Is it completely relieving in effect?

Mr. Sharp: Yes, completely relieving.

Amendment agreed to.

Clause as amended agreed to.

Clause 7 agreed to.

On clause 8—"*Mine*".

Mr. Bell (Carleton): This section should probably be entitled "An act to appease Ross Thatcher", but apart from that I think all of us agree that it is wholly overdue and should have been brought forward at a much earlier date. We are glad that the present Minister of Finance has overruled the former adamant attitude taken so often by the hon. gentleman for Davenport and that some influence has been exercised in this matter within the Liberal party. At least the minister has taken this opportunity to act.

An hon. Member: That is what I like. It is really non-partisan.

Clause agreed to.

On clause 9—

Mr. Monteith: I would just like to make a very brief comment. I think this legislation will cause great hardship to certain companies, as far as getting staff is concerned, and to certain individuals who have in the past been hired under a plan whereby they were expecting to receive stock options in the future. I do not wish to belabour the point, but I want to reiterate what was said previously, that personally I do not feel this has been fair to all concerned.

Clause agreed to.

On clause 10—

• (4:20 p.m.)

Mr. Monteith: May I just inquire, Mr. Chairman, does this clause mean that if, for instance, the chairman or assistant chairman or any other member of the Tax Appeal Board were to finish his term, for the sake of argument at 73 years of age, he might be reappointed for a full term?

Mr. Sharp: No, he would be reappointed until the age of 75.

Clause agreed to.

On clause 11—*Definitions, "corporation."*

Mr. Monteith: I simply want to reiterate what I have said on previous occasions with regard to this special tax. I feel that it penalizes firms who have had construction under way and who will now have to pay a special tax to the government. They are going to receive 5 per cent on this tax. Under the revisions of the Bank Act after January 1, 1967, however, if these firms had to borrow, as undoubtedly so many of them will, to finance their construction projects they are going to have to pay 7 per cent on that money. As I said earlier, the result will be an increase in the cost of living because this increased interest rate is going to be passed on to the consumer.

I do not wish to belabour the point, but as I said earlier I do not think it is sound to take this money from these firms. During the Budget debate the minister mentioned there would be a limited number of them, and I can understand that. However, I do not believe it is sensible to take from these firms the funds they are going to require and to which they were possibly committed two or three years in advance, to complete this construction. This construction, when completed, can do only one thing and that is help supply the demand that is needed in Canada to reduce inflation. I cannot see anything good in this clause at all.

Mr. Sharp: May I just say a word on this point, really in reply to some comments made earlier by the hon. member for Nanaimo-Cowichan-The Islands. In fact, in the budget which I brought down some months ago and which is now being partially implemented by this bill, various fiscal measures were taken. The hon. member mentioned what he thought was the absence of fiscal measures. I am very glad to learn that the hon. member for Perth does recognize that some fairly stringent fiscal measures were included in that budget.

First of all, there was the restoration of the amount of the cuts that had been made in the previous year in income tax, because of the changed economic situation in the country. There was the application of the 5 per cent refundable tax on corporations. There was a reduction in capital cost allowance for undertakings which were proceeded with in the next 18 months. There was the progressive reduction in the sales tax. All of these were designed to exert pressure on the economy and to cope with the inflationary problem by fiscal measures.

There is also, and I have no hesitation in defending it, an appropriate monetary policy, just as there is in all parts of the world today. If my hon. friend looks at the United States, Germany, France or England, he will see this is a fact. The government of the United Kingdom, which is apparently of the same persuasion as that of my hon. friend, is employing the whole gamut of fiscal and monetary policy in order to restrain inflationary pressures. I think those inflationary pressures remain very strong. I believe we must employ all those measures we can reasonably employ without doing damage to the economy itself. Our purpose is not to stop anything, it is to contain our activity within our physical resources.

Mr. Monteith: I am not going to ask the minister to explain how the refundable portion of this tax is worked out because I believe it would take until tomorrow to do so. I am not an official of the income tax department, but before I came here I practised chartered accountancy. I believe it is going to be a big problem for anyone to read this section and come up with an answer as to how you are going to arrive at the refundable tax.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I was very interested, Mr. Chairman, in the minister's outline of his fiscal policy. Unlike the hon. member for Perth I do not find this refundable tax such a devastating weapon for the government. In fact, when I spoke about it at the time it was introduced in the budget debate, I pointed out it could have only a very minor effect upon the economy. After all, $70 million out of $1,400 million, which is the aggregate of corporation profits, does not seem to me to be of sufficient magnitude to have any great effect.

However, I have another criticism of this provision to which I hope the minister will give us some answers. I refer to the inflexibility of it. If, in the opinion of the minister, it should become necessary to retain this 5 per cent longer than the period of 18 months or 36 months set out in the bill, he does not have the power to do so. If, on the other hand, he believes it should be repaid earlier—well, possibly he could do that because I think the time set out is the maximum time. I suggest the fact he has tied himself to a time limit will negate any effect this tax may have in certain economic circumstances. In order to console the hon. member for Perth, may I

reiterate that I cannot believe the retention of $70 million out of $1,400 million is going to have any significant effect in curbing the inflationary pressures or in doing anything else except giving headaches to the profession to which the hon. member for Perth belonged before he came here.

The Chairman: Shall the clause carry?

Mr. Bell (Carleton): On division.

Clause agreed to.

Clauses 12 to 16 inclusive agreed to.

On clause 17—*Taxable obligation and non-taxable obligation defined.*

Mr. Bell (Carleton): Would the minister say how much further this particular clause goes than the present one?

Mr. Sharp: My understanding, Mr. Chairman, is that this clause gives statutory authority to the existing practice.

Mr. Bell (Carleton): How is the existing practice different from the present statute?

Mr. Sharp: Perhaps I might read, if I have the permission of the committee, from a letter from the Minister of National Revenue to me. This is unusual procedure, and I would not want it taken as a precedent, but the letter explains perhaps as well as I could the reasons for this.

• (4:30 p.m.)

The proposal would give statutory authority to the existing practice whereby, except in criminal cases, officials do not give testimony in judicial proceedings. Because the present section does not clearly so state, it is necessary in each case for me as minister to make a sworn declaration that it is against public policy to make disclosures. An outside lawyer has to be engaged to represent the department. Since a witness has no right to be represented by a lawyer, a senior practitioner has to be chosen who can persuade the judge to hear him. Very frequently a subpoena is served on short notice and it may be impossible to follow this procedure. If an employee of the department refuses to answer questions he can be sent to jail for contempt of court. This actually happened a number of years ago. The proposed amendment will prevent having to follow this cumbersome procedure. It can be said that the section will simply clearly state what has been the invariable rule. The section will also permit copies to be given to the taxpayer himself and, under the rules of evidence, copies can be used where the original cannot be produced. The proposed section goes further than the existing provision in that it forbids former employees and other authorized persons from disclosing information which is a deficiency in the existing section. This will also clarify the department's right to make disclosures to lawyers, accountants and valuators engaged by the department in specific cases and places these persons in the same position as government employees.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Bell (Carleton): Will the principle be identical with the principle under the Estate Tax Act?

Mr. Sharp: I am informed that it is based on the corresponding provision in the Estate Tax Act.

Mr. Bell (Carleton): Has there been any experience with the Estate Tax Act? If there has, has that experience proved to be satisfactory?

Mr. Sharp: Mr. Chairman, I regret that I do not have officials before me who are expert in the Estate Tax Act. Perhaps at some other time I can give the hon. gentleman the answer.

Mr. Bell (Carleton): Perhaps the minister would make inquiry and let me know.

Mr. Sharp: I would be pleased to.

Clause agreed to.

Clause 18 agreed to.

Title as amended agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Mr. Sharp: Mr. Speaker, I would hope that the house would consent, notwithstanding these extensive amendments, to third reading so that the bill may proceed to the Senate.

Some hon. Members: Agreed.

Mr. Sharp: I should also like to thank the committee members for their co-operation.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Sharp moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

NATIONAL ARTS CENTRE

ESTABLISHMENT OF CORPORATION FOR ADMINISTRATION AND OPERATION

The house resumed, from Tuesday, June 28, consideration in committee of Bill No. C-194, to establish a corporation for the administration of the National Arts Centre—Miss LaMarsh—Mr. Batten in the chair.

The Chairman: When the committee rose on Tuesday, June 28, the title, clause 1 and

clause 4 with an amendment, and with an amendment to the amendment, had been allowed to stand.

On clause 4 the hon. member for Lévis had moved an amendment as follows:

That clause 4 of Bill C-194 be amended by adding thereto the following paragraph (5):

In the appointment of members and officers of the corporation, due account will be taken of the linguistic duality of Canada and its cultural plurality.

The hon. member for Lapointe had moved an amendment to the said amendment as follows:

That all the words after the word "Canada" be deleted.

On clause 4—*Appointment of chairman and vice chairman.*

[*Translation*]

Mr. Régimbal: Mr. Chairman, we resume the debate on the amendment moved to clause 4 of Bill No. C-194, on the establishment of the National Arts Centre. The amendment proposes that, in the appointment of the board of trustees of this centre, due consideration be given the linguistic duality and cultural plurality of Canada.

In this type of debate, several points of view are expressed which reflect the particular experience and concern of the person voicing them. In each case, with the best intentions in the world, one speaks according to experience and personal interests; that is why no one person has any claim to absolute truth, just as no one errs completely. It therefore remains for each one of us to analyse the various points submitted and to adopt the attitude which seems most well-rounded, most realistic, most consistent with the concept or the ideal sought.

In the last few days, since the adjournment of this debate, I have had the opportunity and the time to analyse the opinions expressed to date, and if you will allow me, I should like to make known my personal views on the matter.

Let us say, first of all, that much more is involved here than a mere provision in a piece of legislation designed to set up a National Arts Centre. The very fact that this same discussion was held on second reading of Bill No. S-2 shows us in a dramatic manner that what is actually involved is the whole, essentially Canadian context of bilingualism, of national duality or co-existence, in short, of cultural policy, which our best Canadian minds have been trying so hard to define for a century, but with new vigour and intensity, especially in the last ten years: an attempt at a definition which gave birth to the Commission on Bilingualism and Biculturalism, which has led others to look forward to a constitutional conference, which has inspired the supporters of separatism, which has brought about the discovery of new stock phrases such as "associate states", "co-operative federalism", etc. Those are as many considerations which show a very keen awareness of this situation, of this experience Canada has gone through in the last century. It is essential that we should endeavour to define it, not so much to explain the last hundred years, but mainly to give direction to the next hundred years, because the peace, security and serenity of future generations depend to a great extent on the clarity of our definition.

In the present discussion on the amendment moved by the member for Lévis (Mr. Guay), we have heard the Prime Minister (Mr. Pearson), the Leader of the Opposition (Mr. Diefenbaker) and, among others, the member for Lapointe (Mr. Grégoire), the member for Verdun (Mr. Mackasey) and the member for Sherbrooke (Mr. Allard). Previously, we heard the Minister of Citizenship and Immigration (Mr. Marchand) who, in his intervention of June 10 last supported the amendment when he said substantially that he understood the prime concern contained in this amendment, since that particular bill dealt with the National Arts Centre, an essentially cultural organization, where it was particularly advisable to emphasize the existence of French Canadians or, better still, the French fact in Canada.

It must be borne in mind that the minister said he would have preferred it if the amendment had not been moved. I entirely agree on this last point, but on the previous one I do not agree at all, because it shows a negative attitude which is harmful to the French Canadian fact, because it puts it in a defensive position from the start; it is forced to revert to a defence mechanism while the present generation, today's generation and the generation of tomorrow, whether French or English speaking, has a right to expect that we set the stage to promote its growth.

• (4:40 p.m.)

The Minister of Citizenship and Immigration put it quite well during the debate on the incorporation of the Ottawa Railway Terminal Company. It will be recalled that

there again, the discussion was on the advisability of ensuring French Canadian representation on the board of that company. I am quoting from page 2827 of *Hansard*, left-hand column:

> The first thing that strikes me and to which I should like to draw the hon. members' attention is that whenever you insert in some legislation or constitution a clause such as this to protect a certain group, it is because you are assuming from the start that this group is incapable of looking after its own protection and of defending itself by other means. In other words, a form of discrimination is thus created to which I am completely opposed.

And later, he adds:

> Otherwise it means, that to be represented in Canada as we should be, a provision will have to be included in every piece of legislation to ensure that such representation will be granted to us.

To complete this thinking, if I may be permitted, he should have added that, as far as existing legislation is concerned, past legislation, that is, where such representation is not provided for, there would no longer be any legal obligation, not even a moral obligation, since this apparently no longer is sufficient, to recognize the French fact in a practical manner. Is that not the true significance of the intervention of the Prime Minister when he asked the mover to withdraw his motion, and of the Leader of the Opposition (Mr. Diefenbaker) when he asked the hon. member for Lapointe to give his assent to the withdrawal of the amendment?

May I be permitted to suggest, as an aside, Mr. Chairman, that if the Minister of Citizenship and Immigration were officially to withdraw his support of the amendment to accept the suggestion of the right hon. Prime Minister, I feel that, in view of the judgement and the understanding he has shown several times in this field of national unity and of Canadian motivation, we would soon achieve the unanimous consent needed for the withdrawal of the subamendment and of the amendment now before us.

Generally speaking, I should like to note in passing that the wording of the present amendment is so vague and so watered down that it no longer means anything; the amendment recommends that "due account will be taken of the linguistic duality and the cultural plurality of Canada".

"Due account will be taken": This commits no one to anything and, for that reason alone, we should all agree to withdraw the amendment, since nothing can accrue therefrom, save confusion, misunderstanding and division. The Prime Minister first and then the Leader of the Opposition expressed their concern that such a provision in a bill would divide our national groups, rather than contribute to the unity in equality which we are all seeking. I share that view and, in turn, I am asking the hon. members to give unanimous consent to the withdrawal of the amendment and subamendment.

In fact, in spite of the care taken by the writer of the amendment to hide under vague words the principle to be established, it is obvious, particularly in the light of the remarks made by the hon. members for Verdun, Lapointe, Sherbrooke and Trois-Rivières (Mr. Mongrain), that the purpose thereof is again to ensure by legislation that the French shall be represented on the board of directors of the National Arts Centre or any other government agency. Therefore, it is the whole question of the nation's bilingual character or, more precisely, the whole question of the French fact that comes up, and I think there is every advantage for us to consider this debate in this light, because we are putting a finger on and squarely tackling the problem which concerns all Canadians at this time.

[*English*]

In all honesty and objectivity I cannot see what this amendment, or any insistance on establishing a percentage of French speaking or bilingual representation on boards, can accomplish besides attempting to reduce this whole problem of national unity to a mathematical formula, which is no solution at all. Because it is restrictive and selective, it is essentially a negative approach.

I now speak as one who has spent more than half of his life as a member of the French speaking minority in Ontario, where I believe a more positive approach, through many years of sacrifice, effort and stubbornness as well as patience, perseverance and self-determination has resulted in the French speaking element penetrating more and more into every phase of economic, social, cultural and academic life, and in the English speaking element re-examining its whole conception of Canadianism and learning to seek out the differences in characteristics which explain our reactions and attitudes.

Mind you, I do not mean to suggest that life has always been a bed of roses, nor do I suggest that this battle has been won. We have had to scale some almost insurmountable difficulties, in education particularly, and circumstances still come up when strong stands have to be taken by an alert French speaking group, stands that can be and are debated at their full face value without

awakening all kinds of emotional stresses and strains. Personally, I have never felt that anyone was out to get me, so to speak, and I am sure that in those 25 odd years which I spent in Ontario never at any time did we, as a group or as individuals, take a step backward. French minorities outside of Quebec have been alert and alive, but throughout the tough moments of their experience they conscientiously exercised the same kind of patience which they expected of others, practised the same kind of understanding which they continually demanded of others, and requested the same kind of respect which they offered to others. They have thus proven to others and to themselves that they belonged to Canada, and that their contribution was an essential asset to Canada in every phase of Canadian life.

Some hon. Members: Hear, hear.

Mr. Régimbal: They were respected not so much for what they could claim, but by what they could do. In business we have the good example of the Robert Campeaus; in finance, the Paul Desmarais; in performing arts, the Leopold Simoneaus; in law, the Leon Lalandes; in politics, many outstanding men, the least of whom is surely not the present Speaker of this house—

Some hon. Members: Hear, hear.

Mr. Régimbal: —and the list could go on and on by the hundreds—in labour, in science, in commerce, in industry, in education, in every field of endeavour, to such a point that at this very moment there is serious talk of establishing a provincially sponsored French culture centre in northern Ontario, and this has been accomplished without a single piece of legislation guaranteeing them a percentage of representation anywhere.

• (4:50 p.m.)

By following this steady, often slow but always definite process of improvement, Ontario is creating the kind of atmosphere in which the French speaking Canadian can develop best and contribute best. Mind you, I am sure that Ontario's proximity to Quebec has helped that province to be more awake to the French speaking reality, which only proves that exposure is still the shortest road to understanding. I speak of Ontario because I know it better than I know other provinces, except Quebec, but I understand that New Brunswick has taken great and imaginative steps toward full participation by French speaking Canadians in their way of life. It is to be hoped that all provinces will match these strides as they become more and more aware of the French fact.

I must take my hat off to the province of Quebec for showing the way in thorough recognition of minority rights and privileges. In all cases the degree of understanding, the degree of progress toward understanding has been measured, not by legislation, but by full, intelligent knowledge of minority rights, and full confidence in that minority's potential and talents.

What is the basic ingredient in this recognition? What are we all striving to establish; what is typical of our Canadian context? I believe it is equality, not only equality before the law, not only equality before the courts, not only equality of services, but especially and almost exclusively equality of opportunity, whereby no matter which of the founding peoples we belong to, or which of the official languages we adopt, our talents, our character, our mentality will have the greatest possible opportunity to develop, because this is our wealth and our heritage. This is our new Canada which young Canadians will want to conquer.

This is the Canada where bilingualism becomes a challenge rather than a duty, an asset to acquire rather than a cross to bear, in which the presence of different cultural backgrounds and expressions becomes an element of healthy competition and an incentive to greatness—a unique country where more sources of inspiration, of learning, of expression are available to make us more complete and efficient human beings, richer because we have learned to share and to exchange our differences.

I suggest, sir, that none of this can be obtained through narrow legislation such as this, but all of it can be obtained through understanding and knowledge, and through the development of definite cultural policies.

[*Translation*]

Mr. Chairman, I think that this debate which quite fortunately revolves around the establishment of a National Arts Centre provides us with an excellent opportunity for making a concrete gesture of unity, but getting the most complete unanimity, as indicated by our party leaders. Again, I ask all hon. members to agree to the withdrawal of the amendment and subamendment, and should this prove impossible by mischance, I will have set out my reasons for voting against the amendment.

Before I conclude my remarks, I invite all young Canadians, both French and English speaking, to meet the challenge of our duality of expression, to make it an objective of culture and greatness of soul, thus creating a climate of sound competition, to allow the full development of our Canadian potential, deriving from our cultural differences the inspiration of a more complete education a more universal mentality, where the success of the individual will be dependent on the competence acquired by taking the best out of our two cultures.

[*English*]

Mr. Klein: Mr. Chairman, I am going to intervene for just a moment for the reasons which were enunciated by the Minister of Citizenship and Immigration. If we were voting on the amendment itself I would find it very difficult to vote against it because of the treatment which is accorded by the province of Quebec to the Jewish community of Montreal in recognizing the rights of the minority within that province.

I want to take this opportunity to express my admiration for the manner in which the French speaking majority in Quebec has treated the minorities in that province. I refer particularly to the Quebec statute, Chapter 87, 13-14 Elizabeth II, entitled "Protestant Schools of Montreal", and as a tribute to the French Canadians of Quebec I want to read into the record section 4(c):

> The Lieutenant-Governor in Council shall appoint for a term of five years the remaining five members who shall be persons of the Jewish faith, or professing the Protestant religion, so that the Greater Montreal Board shall be constituted at any one time of five Jewish members and 20 Protestant members.

For this reason, Mr. Chairman, I again wish to pay tribute to the French Canadian majority in the province of Quebec.

Mr. Lewis: Mr. Chairman, some days ago when this measure was before the committee I rose to speak and indicated that I was neither of Anglo-Saxon nor of French origin, but I felt I could speak as a new Canadian, having come to this country when I was 12 years old. I want to make some brief remarks on the subject raised by the amendment and the subamendment and to indicate why, in my opinion, the hon. member for Argenteuil-Deux-Montagnes is right, as were other speakers, that we cannot in conscience support this kind of proposal for legislation in Canada, and that indeed those who insist on it are doing the cause which they want to advance a great deal of harm.

[Mr. Régimbal.]

[*Translation*]

Mr. Mongrain: Does not the hon. member feel that those who do not share this opinion also have a conscience and like to follow the directives—

[*English*]

Mr. Lewis: If it were not for the fact that I am anxious to conduct myself in this debate in that spirit of good will in which debates are often held in this chamber, I would resent that kind of suggestion. I speak in accordance with my conscience, my belief and my opinion, and I repeat that no one in this chamber is more concerned than I am with establishing the idea and the fact of bilingualism and biculturalism in Canada. I say bilingualism and biculturalism despite the fact that I had another language for the first 12 years of my life and did not know a word of English or French, and despite the fact that I have a close and earnest attachment to a culture which is thousands of years old and which is neither English nor French.

Despite that, I believe Canada is a bilingual country and has two major cultures, but that within Canada other languages, including my first language, and other cultures, including the culture of my ancestors, have the right to expand and to live. This is a democracy and we have the right to speak the languages of our ancestors even though they are not English or French. We have the right to expand our cultures and practise our traditions. That is the mark of a democracy, and that is why I am proud to be a citizen of Canada despite the fact that I spent my boyhood in another country.

During this debate reference was made to a committee which has been set up by men and women of origins other than English and French. I forget the exact name of it, something like the committee of citizen action, to which the hon. member for East York is a party. As a member of a family that came to Canada in 1921 I disagree vehemently with the purposes of that kind of committee and that kind of association.

What those people are really saying is not that Canada is a multilingual country, but that Canada is unilingual, that Canada's language is English only, and that if French is to be placed in more prominence, then they want their languages to have the same rights.

• (5:00 p.m.)

I say that that kind of statement represents a misreading of Canadian history; it represents a misunderstanding of Canada's past; it

represents a failure to appreciate Canada's present. There are in this country, and we all ought to recognize it and make it part, if I may say so, of our life and existence and total understanding of our country, two languages equally part of Canada; there are in this country two major cultures equally part of Canada; there are in this country tens of thousands of people who are welcome to speak in any language they like and to practise any culture they like or any tradition they like, because this is a free democratic country where that kind of multi-lingual and multicultural activity is welcomed and encouraged rather than prohibited or limited.

The United States of America is a unilingual country—English,—despite the fact that there are there just as many groups and backgrounds or more than there are in Canada. You ask any American, whether his background is Dutch, Irish, French or whatever, what the language of the United States of America is and he will say English, just as is the case in the United Kingdom, even though when you walk along the streets of London you may frequently hear, as I did, any number of languages spoken. It is the same in France where the language is French; even though many other tongues may be heard on the streets of Paris.

I urge upon all my fellow Canadians whose origins are neither English nor French to recognize—just as those countries which are unilingual have one language, just as a country like Belgium which is bilingual, has two languages, and just as Switzerland is trilingual or quadralingual and has three or four languages—that Canada in essence is a bilingual country. That does not say that every Canadian must speak English or French. Nor does it mean that whenever there are two or three English speaking families living in a little village in Quebec where everybody else speaks French they must be given at state expense the opportunity of English schooling and so on; or that when a few French speaking families live in British Columbia, Saskatchewan, Alberta, or Manitoba or Ontario where the surrounding language is English, these two or three French families should be given at state expense a French language school. It does not mean that at all, because that is bringing bilingualism to an absurdity or practical impossibility.

It does mean, however, that every Canadian from coast to coast should respect the fact that Canada is bilingual; it does mean that wherever there is a substantial French community or a substantial English speaking community, both should be given the right to educate their children in their own language and their own culture. It is also reasonable, Mr. Chairman, that in all of our institutions, federal institutions in particular and the civil service above all, we should recognize the fact of bilingualism in this country.

Now, what are the amendment and the subamendment doing? I agree entirely with the hon. member for Argenteuil-Deux-Montagnes that the amendment and subamendment are limiting rather than expanding. I would suggest that unless you have that kind of provision in every statute you would have many exceptions and it would be an absurd act by this parliament; you would run the risk of suggesting that only in those cases where the statute contains a reference to the fact of bilingualism in Canada, that fact would be observed.

Furthermore, Mr. Chairman, I appeal to those who support this amendment and subamendment that the time has come in this country in which all of us have worked through our adult lives that the fact of Canada should be taken—not for granted—but should be taken as a fact which no longer needs defensiveness and which no longer needs negative provisions in legislation. I suggest that if we are still at the point where the goverment cannot be relied upon to recognize and act upon the fact without this kind of provision in the legislation, then the provision in the legislation is not going to do any good. If we have reached the point in this country, as I believe we have, where the dialogue is being carried on on an intelligent basis with an understanding of one another, then I am sure this government will carry through. Let us leave it where we place upon the government of this country the responsibility to do the right thing. I am not of the government's political persuasion. The government frequently is wrong, but it is not often stupid. They would have to be not only wrong but stupid to refuse to recognize the fact of Canada at the present time. Let us leave to them the responsibility for doing it. Any administration of this country which from now on fails to act in accordance with the fact of Canada will have to face not only parliament but the people of Canada, not only French speaking but English speaking as well.

Furthermore, I suggest that the amendment contains an error of logic and the subamendment contains an error of omission. The error of logic in the amendment is that it is wrong to say, in my opinion, that our cultures are in some different category from the languages. To the extent that Canada is bilingual because there are two founding languages, two major languages, to the same extent Canada is not multicultural but bicultural, two major cultures; to the extent that it is multicultural, to the extent that we recognize there are cultures in Canada other than English and French, to the same extent must you recognize that Canada is multilingual because there are languages other than English and French spoken. So, the amendment is confusing and I suggest erroneous.

The subamendment, of course, is at fault in omission. The fault is that it concentrates merely on the bilingualism of Canada and pays no attention at all to the fact that there are other groups in this country which speak other languages and that there are other groups in this country which have a cultural background which is different from English or French. In a discussion the other day my colleague the hon. member for Nanaimo-Cowichan-The Islands said something which has a great deal of validity. He said we would not have this problem in this country if we had an identifiable Canadian culture which one could point to with pride.

The Chairman: I apologize for interrupting the hon. member, but I have allowed him to proceed and I must now call it five o'clock.

Mr. Pickersgill: Let him continue. The hon. gentlemen is making a very interesting speech.

The Chairman: If there is any disposition on the part of the members of the committee to continue, and dispense with private members hour, I think that decision should be taken while the Speaker is in the chair.

Progress reported.

• (5:10 p.m.)

BUSINESS OF THE HOUSE

MOTION TO EXTEND SITTING HOURS

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, pursuant to standing order 6, subsection (2), I move:

That the house continue to sit until 10 p.m. this evening unless a motion to adjourn is adopted earlier.

[Mr. Lewis.]

Mr. Deputy Speaker: Is is the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. Douglas: No, I object.

Mr. Deputy Speaker: Order, please. I must refer the house to standing order No. 6, subsection (2), which reads in part as follows:

If any member objects to the motion, Mr. Speaker shall request those members who object to rise in their places and if ten or more members then rise, the question shall not be put on the motion.

May I ask those hon. members who object to stand so the Clerk may count them.

And more than ten members having risen:

Mr. Deputy Speaker: The question on the motion will not be put by the Chair.

Mr. Pennell: Mr. Speaker, if it meets with the indulgence of the house I should like to ask for unanimous consent to forgo private members hour and continue the matter before the house when the business was interrupted at five o'clock.

Mr. Deputy Speaker: Does the house give unanimous consent to private members hour being deferred?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house will proceed to the consideration of the business interrupted a few moments ago.

NATIONAL ARTS CENTRE

ESTABLISHMENT OF CORPORATION FOR ADMINISTRATION AND OPERATION

The house resumed consideration in committee of Bill No. C-194, to establish a corporation for the administration of the National Arts Centre—Miss LaMarsh—Mr. Batten in the chair.

On clause 4—*Appointment of Chairman and Vice Chairman.*

The Chairman: We are now considering the amendment and subamendment.

Mr. Lewis: Mr. Chairman, I shall not take too much more of the committee's time. When five o'clock was called I was stating that we would not likely be in the difficulty we are in, had we managed during the last 99 years to develop an identifiable Canadian culture in all its various aspects. I think we

would have gone a long way toward developing that had we spent less time arguing about negative measures such as are suggested by hon. members in the amendment and subamendment.

Let me support with all the force I can the proposition of hon. members who have preceded me, to the effect that the time has come to look at this whole question in a positive way in order to organize and build in Canada agencies, instruments and attitudes which will constantly improve the dialogue of a united Canada and bring an end to the needling and provocation which necessarily results from negative requirements, and the enshrinement of this kind of thing in legislation.

As one who knows a little about both English and French speaking Canada, let me say to those members who support the amendment and subamendment, that these are precisely the kind of amendments, embodying a spirit of distrust, which make it a great deal more difficult to get English speaking Canadians to appreciate not only verbally and cerebrally, but with their hearts and their souls, the legitimate demands and aspirations of French Canadians in this country.

The sooner we cease this kind of dialogue and permit ourselves to carry on with a dialogue that is as positive and constructive as human beings can make it, the sooner we will start on the road to building an identifiable Canadian culture in English speaking Canada, as in my opinion the French speaking people of this country have built in French speaking Canada, in all its aspects, particularly in the province of Quebec.

One can neither solve the problem facing Canada by this kind of legislation nor solve even the immediate question of appointments, particularly when we are faced with this kind of vague amendment and subamendment. Indeed, let me say that the idea embodied in the amendment and subamendment might have had a great deal more sense and appeal if it were related to the activities of the centre itself and demanded that it mirror the French, English and other cultures that make up Canada's cultural mosaic. I suggest that it would be more logical and sensible for hon. members to withdraw the amendment and subamendment so that we can build an arts centre for the cultural development of this country, instead of arguing about the composition of the board.

• (5:20 p.m.)

[*Translation*]

Mr. Caron: Mr. Chairman, I do not intend to take very long, but since I previously moved a similar amendment to Bill No. S-2, an act to incorporate the Ottawa Terminal Railway Company, I feel that I have something to say.

A few days ago the Prime Minister (Mr. Pearson) asked the hon. member for Lévis (Mr. Guay) to withdraw his amendment, saying that people would understand the need and that, from now on, the ministers would give the French Canadian people of Canada a fair representation.

The Prime Minister's intentions are remarkable and I know that if we were to have a Lester Pearson for years and years to come, we could accept that view; but we are not sure of that, because there is also the Leader of the Opposition (Mr. Diefenbaker) who asked the other day that there be only one race in Canada, saying that he did not want second class citizens. That is precisely the false notion which is spreading throughout the country. Some people talk of only one race—and those people do not think at all that there can be two races in Canada. In fact, there are two: the French race and the French Canadians.

As stated a little earlier by the hon. member for York South (Mr. Lewis), there are several cultures in Canada and I am happy about it. Canadian culture is on a par with that of other people.

There people can learn English and French which is what the hon. member for York South as well as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) did; they both speak French and English. But do you find many English Canadians who speak both languages? They are the exception and that exception does not suit me. I submit that if they really wanted to develop a double culture in Canada, they would have gone to the trouble of learning a little French. But they do not do it. In Canada, at the present time, the only bilingual people, or practically the only ones, are the few citizens who come from the other remote provinces and most French Canadians or English Canadians are not bilingual because they do not want to be bilingual.

I think that the Leader of the Opposition was wrong when he said that we do not need a second culture in Canada, because I know that at the present time our representation

within the commissions does not exceed 12 per cent, whereas we make up over 25 per cent of the population. That fact has always been overlooked and is still overlooked today; it is overlooked with regard to the railways, it is overlooked in this case. No one remembers to mention that the French Canadians have rights, in short, we are forgotten everywhere. The reason is that no one thinks about French Canadians.

That is why I say that we must include in our laws the principle which we are advocating, even if that may displease some people. The hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal) said a little earlier: I congratulate the province of Quebec for its broadmindedness.

The province of Quebec is broadminded because it has to be. Sir Georges-Étienne Cartier had faith in the English majority and he wanted the province of Quebec to be bilingual; it has remained the only bilingual province.

The other provinces are not bilingual; they are unilingual and they are above all English. And when the Leader of the Opposition spoke about that majority which exists in our English circles, well, if we divided the ethnic groups in Canada, we would find that there are more French Canadians. There are more than six million of us and there are only five odd million English people. There are even fewer Scots and Irish even, so that if we divided that by ethnic groups instead of according to the language spoken, we would see that the French Canadians are more numerous. In spite of all that, only 12 per cent of French Canadians sit on commissions; there is something wrong.

That is why I would like to see that provision in our laws, so that those who will come after the present Prime Minister will be reminded that we are entitled to it. I suggested the same thing about the Ottawa Terminal Railway Company and I think that the same fate is in store for my proposal.

I have no illusions, Mr. Chairman; when we are asked to vote on that matter, I am convinced that we will be defeated, but I want to point out that I will vote for the amendment even if, as stated by the hon. member for York South, there is something lacking with regard to that multiple culture which we have today in Canada.

I admit something is lacking. I prefer the amendment moved by the member for Levis because while it mentions bilingualism, it also speaks of biculturalism and a plurality of cultures.

That is why I say I prefer the amendment; on the other hand, I shall vote for the subamendment, and then for the amendment because I maintain that it must be incorporated in our statutes; we must tell our legislators that we are entitled to this protection and I trust the government will finally give it to us.

Mr. Langlois (Mégantic): Mr. Chairman, I intend to speak for a few moments only, to express my opinions following the remarks of the hon. members today and at previous sittings, and more specifically on June 28 last when this amendment and the subamendment were brought before the house.

I heard the members who spoke before me, Mr. Chairman, and some of the speeches were beautiful. They certainly held some truth, but somehow I feel that lacked realism. One is usually content with a beautiful display of roses, sometimes forgetting that roses always hide thorns. When the rose withers and its petals fall, thorns alone remain and with the passing of time they grow sharp and stiff and prickly; it is precisely of those thorns I am wary.

I see everyone is full of good will; when the hon. member for Hull (Mr. Caron) spoke a moment ago, he said that if the present Prime Minister (Mr. Pearson) holds his position for years and years to come—which, frankly, I do not believe—it could then be hoped that the spirit of section 133 of the B.N.A. Act would be constantly upheld. I am sure the Prime Minister will leave some day. Who will then replace him?

Confederation is barely 100 years old. When time came to unite Lower and Upper Canada, the problem at hand was that of joining a French people and an English people to form a Canadian people. When confederation was signed in 1867, time was taken to include section 133. I see, therefore that the fathers of confederation had the courage to write down on paper what they preached. They wrote it down, most fortunately, for were section 133 not in the constitution, decades ago the French fact would have been completely forgotten, and even as well perhaps the fact that the country had ever had two cultures.

A while ago some hon. members referred to the question of plurality of cultures. I do not quite understand. It seems that there are various interpretations or, at any rate, I give it another meaning. The hon. member for Lapointe (Mr. Grégoire) talked about it on June 28. He said that one cannot have five,

six or seven cultures. One's culture is based on one's knowledge; the greater the knowledge, the greater the culture. It is a matter of degree. The man who has a thorough knowledge of English with all the advantages this entails—and heaven knows that there are many—has a certain degree of culture. Another man, similarly endowed and having besides a good knowledge of the French traditions, knows twice as much and his culture is wider. But it is not a matter of three, four or five cultures. It is a matter of knowledge, period. And the sum total of this knowledge makes a culture. In Canada, there is something we apparently always want to interpret; that is the state of mind that prevailed here today.

Mr. Chairman, I am not in favour either of including figures in the act, because that would be absolutely wrong and against the spirit of section 133 of the constitution.

Section 133 gives neither figures nor percentage. As soon as you mention a figure or a percentage, you create a minority, or you start using a slide-rule to work out what you are entitled to keep and that is not very commendable.

This is a state of mind that must be developed here—we are not necessarily of French origin, or of Anglo Saxon origin, but first and foremost Canadians. That is the main point.

[*English*]

Mr. Chairman, there is nothing in this amendment specifying that he should be of French Canadian descent. There is nothing specifying that he should be of English Canadian descent. All the amendment specifies is that he should speak both languages. Whether he be of French Canadian or English Canadian descent has nothing to do with the matter; the main point of the amendment is that he should speak both languages.

I think the amendment is following the spirit of section 133 of the British North America Act, the Canadian constitution, which specified in black and white that there are two official languages in Canada. For this reason I support the amendment. I do not support it because it is detrimental to either race. In my opinion it does not limit anything; it just reinstates in the law what we have in mind and what we are talking about.

We should be running the country properly, instead of trying to get the popular vote by saying, "This is a bilingual conutry. We will do this for the French speaking Canadian and we will do that for the English speaking Canadian"—because this is a mistake. We are talking about national unity today. We have had in this house two types of government which have succeeded each other over the years, namely the Conservatives and Liberals. No other party is responsible for bringing the situation to this point, where the extremists of both nationalities in this country are "going at" each other. This situation has come about because members on both sides of the house have not faced up to reality. The situation has developed because we have ignored reality.

We have had in this country almost 100 years of this type of administration and should have learned from experience. If the administration of the past 100 years has led us into the complete fiasco which exists at the present time, I think it is time we put into practice what we preach, and changed some of the methods we have employed in order to make sure that the situation is not aggravated.

• (5:30 p.m.)

Mr. Chairman, you can speak of good will; everybody has it. Words go by, and so will the Prime Minister. Speeches go by, and good intentions go by. I might also mention that there is a saying that the road to hell is paved with good intentions. This is a fact, but it is too late to have good intentions in hell. I like to hear people say "We are in favour"; but it means a lot more when it is written down. Spoken words can be forgotten but written words stay. All I ask of hon. members who sit in this house and speak about biculturalism, about bilingualism, about this that and the other, is that they should get up and vote on this question and that they should practise exactly what they preach.

[*Translation*]

Mr. Mongrain: Mr. Chairman, up to a certain point, I am the one who started all this since I moved the first amendment.

I also listened very carefully to everything that was said, as one who seeks the truth, who does not claim to be right at the outset.

I have especially been impressed by the statement just made by the hon. member for York South (Mr. Lewis); in my opinion, Mr. Chairman, if the debate that has been going on for a few days had the only effect of giving the opportunity to as many members of this House of commons as possible to profess their belief in the character of both nations here, in Canada, that would be a lot.

The beliefs expressed by the hon. member for York South have certainly impressed us, and the evidence of lack of fanaticism in Quebec, given by the hon. member for Cartier (Mr. Klein), must also have impressed our English speaking friends.

I hope not to be thought a zealot myself; I have definite opinions about Canadianism, and it has been confirmed by my several trips in the ten provinces. I have many friends in the ten provinces, and I must say that in my own riding my English constituents gave me their vote precisely because they knew that I defended their rights in several instances.

But, where I am surprised at the hon. member for York South—and he surprises me becauses I am ordinarily impressed by his very sound logic—is when he concludes his argument by saying: "Well, you seek this should not be put into the statute books." He probably says that because he did not go through what we went through. He has been in Canada for a number of years. Being a new Canadian, he is happy to have been well-treated, and I am proud to hear him say so. But what the hon. member for York South does not know is that my own ancestors came here in 1629; 1760 is a momentous date and he knows why; the Confederation is 99 years old, he is aware of that, and for the last 99 years the people of my own province have nurtured serious grievances.

Neither do I like an amendment like the one being moved; I too would much prefer that such an amendment never needed to be moved. Only, like many people in my province, I find that we have been waiting for a fair treatment for 99 years. But we are not getting it. And I do not need to go back 50 years, because a bill to incorporate the Ottawa Terminal Railway Company was brought before us. Some thought was given appointing English speaking persons to the Company, but no French speaking ones. That is not ancient history, it happened recently. Now, we have a right to say: Well, the same thing may happen again, and if we all agree on the reality of bilingualism and biculturalism, we want the existence of the two founding nations of the country to be recognized and that appropriate action be taken accordingly.

I pointed out the other day that I had conducted a survey in a number of departments and crown corporations and out of 1850 names or so that I noted, I found approximately 325, but I may have missed a few, which sounded French, and I am not

[Mr. Mongrain.]

even sure that all those people are from Quebec. There again, the member for York South reaches a conclusion that I do not find logical. He does not seem to realize that if we are driven to ask such things, it is because we have 99 years of grievances behind us and that we really believe in confederation.

It is because, next year, we would like the contract between the two nations to be renewed for another century. Only, we realize that in the province of Quebec, our young people, our young businessmen, are dissatisfied. They are probably more realistic than we were. Being dissatisfied, they must assert loudly their feeling of not having been treated as they should have been. Because a few of them take extremist positions, we want to prevent a divorce from taking place in the years to come.

Mr. Chairman, some responsible people in my province worry about the manner in which confederation will be celebrated next year. They are worried for the very reason that in many areas young people are found to be dissatisfied with the treatment they get.

As I said earlier, even though it is obvious the result of the vote will probably go against us, just the same, even if the only result will have been to force some of our members to make a profession of faith, which was done with some eloquence, and sincerity, by the way, by most of them, I think, it will at least have served to promote the cause of goodwill and national unity. I want it to be known that it is in that spirit that we are dealing with this matter.

I realize it is an extremely dangerous subject, Mr. Chairman, and I am trying to contain myself, because it is so easy to become excited and get carried away over such matters, thereby complicating instead of straightening out the situation. But what I should like to emphasize, for the information of my English speaking friends, is that when we of Quebec raise this question, it should be understood that we are not separatists; we are Canadians who believe in confederation and think it will not last if Quebec is not treated as it should be.

Those who take this for racism should take it rather as an instinct of self-preservation, a warning to all Canadians of good will that it is time this conviction which everyone proclaims so eloquently found its expression in action if not in legislation.

I would not object, for example, to voting against the amendment if the government were to tell us: Well, here are the names

proposed for this corporation. If I see three or four French names, I shall be satisfied.

Therefore, let us have proof that this principle will be respected and we will yield. We will then realize that we Canadians can accept understanding and national unity.

Mr. Caouette: Mr. Chairman, I shall not take up too much time but I have some remarks to make further to the speech we have heard from the hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal), from the hon. member for York-South (Mr. Lewis) and from the hon. member for Trois-Rivières (Mr. Mongrain) who has just spoken. I was particularly impressed by the hon. member for Cartier (Mr. Klein) of Montreal. He is of Jewish origin and he has clearly laid down here in the house, before all the members, the treatment the minorities, whether English or others, are getting in the province of Quebec.

Now, regarding the amendment on which we will be voting shortly, I see nothing discriminatory about it. The amendment moved by the hon. member for Lévis (Mr. Guay) is to amend Section 4 of the bill by inserting the following paragraph:

> In the appointment of members and officers of the corporation, due account will be taken of the linguistic duality of Canada.

We have been hearing about duality and bilingualism etc. for 30, 40, 50 years. We have heard plenty of words but we have seen little action. When the hon. member for York-South said, a while ago, that French Canadians, as a majority or as an important group in any part of Canada—

• (5:40 p.m.)

[*English*]

—should be given the right to educate their own children in their own language and culture.

[*Translation*]

The member for York South is right on that score. But I would ask him a question. He is a member of a political party which has been in power close to 20 years in Saskatchewan and his present leader, who is here in Ottawa, was premier of Saskatchewan.

I have relatives in Saskatchewan, French Canadians like myself, who have never enjoyed the school freedom which we grant the Anglo-Saxons in our province of Quebec. And the member for Cartier was pointing it out a while ago. How is it that in 20, or 17 years of power, a government in such a province as Saskatchewan, could not give to the French Canadian minority the same privileges which we give—mark this: "in accordance with the law"—to the minorities living in our province of Quebec? And these are not empty words; we act along these lines. This is the law in the province of Quebec but it is not the law in the province of Saskatchewan.

[*English*]

Mr. Douglas: May I ask the hon. member if he is aware that in the province of Saskatchewan between 1944 and 1964 we more than trebled the number of schools in which French was taught, from something in the neighbourhood of 70 to over 210?

Mr. Caouette: Were those schools fully paid for by the government of Saskatchewan, without any increase in taxes? Did the French speaking people pay for public schools and then have to pay for their own schools?

Mr. Douglas: No, my hon. friend should know there are separate schools which are paid for by the ratepayers. The government supplies an equalization grant which applies equally, whether it is a French school or an English school. In some cases, the separate school is an English speaking school and the public school is a French school. In both cases this equalization grant applies.

Mr. Caouette: There are not too many of them. In my opinion there is quite a difference between the schools in Saskatchewan and the way the school question is treated in the province of Quebec. I have relatives in the southern part of Saskatchewan and they have to pay double taxation because they have to pay for public schools, and then they have to pay for separate schools.

Mr. Douglas: My friend is wrong about that.

[*Translation*]

Mr. Caouette: But the way our compatriots are treated in the province of Saskatchewan bears no resemblance to the way we treat minorities in the province of Quebec.

Mr. Chairman, in our province the rights of the minorities are guaranteed by law. Not by words only but by law.

We are now asking here in Ottawa to get as much. It is not so difficult if, in fact, there is no discrimination. When the hon. member for York South says that there is a cultural

plurality in Canada, we agree. Of course, if I went to live in China, I would have to comply with that country's customs, while keeping my French language if I could. The hon. member comes from another country; he arrived in Canada in 1921 or 1922 and followed the customs of Canada. But a fact remains; Canada is a bilingual country; he recognized it. Canada is a country made up of two great ethnic groups; the Anglo-Saxon and the French.

Therefore, if that fact is recognized in the legislation, it seems to me that no one should complain, no one should be shocked, because the cultural and bilingual duality in Canada is recognized in the legislation. That is why we will vote, we want to vote and we are asking all Canadians, whatever the ethnic group to which they may belong, to vote so that the cultural and bilingual duality can be recognized in Canada.

Those are, Mr. Chairman, the comments I wanted to make on the matter.

[*English*]

The Chairman: Is the committee ready for the question?

Amendment to the amendment (Mr. Grégoire) negatived: Yeas, 8; nays, 71.

The Chairman: I declare the subamendment lost. Is the committee ready for the question on the amendment?

Amendment (Mr. Guay) negatived: Yeas, 10; Nays, 67.

The Chairman: I declare the amendment lost.

Clause agreed to.

Clause 1 agreed to.

Bill reported.

• (5:50 p.m.)

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Miss LaMarsh moved the third reading of the bill.

Motion agreed to, and bill read the third time and passed.

Mr. Pennell: Mr. Speaker, may we have Bill S-42 called? This is the bill to amend the Canadian Corporation for the 1967 World Exhibition Act.

Some hon. Members: Agreed.

[Mr. Caouette.]

CANADIAN CORPORATION FOR WORLD EXHIBITION

AMENDMENT INCREASING PROTECTION FOR SYMBOLS, INSIGNIA, ETC.

Hon. J. W. Pickersgill (for the Minister of Trade and Commerce) moved the second reading of Bill No. S-42, to amend the Canadian Corporation for the 1967 World Exhibition Act.

Mr. Douglas: Mr. Speaker, would the minister give a brief explanation of the bill, just for the record?

Mr. Pickersgill: Mr. Speaker, I have to confess to the house that I am quite speechless. I understand that the bill is quite important. If I could just have a minute to read it I would be glad to explain it. Perhaps the hon. member for Burnaby-Coquitlam (Mr. Douglas) could save me the trouble, because he seems to have read it already.

Mr. Lewis: Mr. Speaker, to find the minister speechless is an event which should be recorded, and we ought not to extend the debate on second reading.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1.

Mr. Bell (Carleton): Mr. Chairman, is the minister now better briefed?

Mr. Pickersgill: Yes.

Mr. Bell (Carleton): Then would he like to explain this clause?

Mr. Pickersgill: I would prefer not to, but I will if the committee insists.

The purpose of this amendment is to increase the protection afforded to marks of the corporation and the official symbol of the exhibition in their application to goods or wares. In other words, the purpose is to increase the revenues to the crown, an objective with which I am sure all hon. members will agree.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Winters moved the third reading of the bill.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the fact that the Minister of Transport (Mr. Pickersgill) had, I thought, a few moments ago not done his homework sufficiently to give some explanation of the bill, perhaps the Minister of Trade and Commerce (Mr. Winters) would give some explanation, for the record, of the purposes of the bill. I think all hon. members have read the bill and thoroughly approve of it. It seems to me somewhat unwise to have the bill go through the house without there being some statement on the record as to what the bill is all about.

Mr. Deputy Speaker: Order. If the Minister of Trade and Commerce (Mr. Winters) speaks now it will have to be by unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, my explanation will be short because the Minister of Transport (Mr. Pickersgill) has already explained it very fully on second reading. Therefore I need say little by way of amplification at this stage.

The bill, as I heard the Minister of Transport, say, is to protect the symbols, copyright and trade mark position of Expo. Expo officials are now in the position of having to undertake the licensing of a great many products, and we want to ensure through this amendment to the statute that they are in a position to protect copyright and the like, and that fraudulent material is not circulated to the public and sold under the symbol or mark of Expo. The general purpose therefore is to protect our copyright and our trade mark so that we can achieve the necessary control and realize a proper and orderly licensing program for those people who wish to sell goods under licence related to Expo, thus enhancing the revenues which we hope will flow to Expo, and through Expo to the people of Canada, from this great Canadian undertaking.

Canada Corporation for World Exhibition

Mr. McCleave: Mr. Speaker, may I ask the minister a question before he sits down. I take it that the act will not prevent amateur photographers from taking pictures on site, but they cannot reproduce them and sell them. Is that correct?

Mr. Winters: That is quite correct.

Mr. Peters: I should like to ask the minister whether this includes the copyright of the initials "Expo"? Is that a copyrighted feature, as well as the symbols?

Mr. Winters: "Expo '67" is copyrighted and will also be protected.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

Mr. Starr: I wonder whether the acting house leader could tell us what is the business for tomorrow?

Mr. Pennell: Mr. Speaker, before I deal with that I would again make an appeal to the house. There were two notices of motions put on *Votes and Proceedings* last Tuesday. They are to approve the activities of the standing committee on northern affairs and national resources and the standing committee on Indian affairs, human rights and citizenship and immigration during the adjournment. I understand the committees may be visiting certain Indian reservations while the house is not sitting, and the passage of the two motions would authorize the committees to carry on during the recess.

If it meets with the approval of the house, I would appeal to the house to approve these two motions.

• (6:00 p.m.)

Mr. Churchill: Are they in *Votes and Proceedings?*

Mr. Pennell: Yes, in *Votes and Proceedings.*

Some hon. Members: Agreed.

Mr. Deputy Speaker: By unanimous consent, then.

Committee of the House

COMMITTEES OF THE HOUSE

NORTHERN AFFAIRS AND NATIONAL RESOURCES—INDIAN AFFAIRS, HUMAN RIGHTS AND CITIZENSHIP—PERMISSION TO SIT DURING ADJOURNMENT OF HOUSE

Hon. Arthur Laing (Minister of Northern Affairs and National Resources) moved:

That the standing committee on northern affairs and national resources be empowered to adjourn from place to place within Canada for the purposes of obtaining further information relating to matters and projects dealing with northern development;

That for this purpose, the said committee be authorized to sit while the house is sitting or during adjournment of the house;

That the Clerk of the said committee and the necessary supporting staff do accompany the said committee.

Motion agreed to.

Mr. Laing moved:

That the standing committee on Indian affairs, human rights and citizenship and immigration be empowered to adjourn from place to place within Canada for the purpose of obtaining further information relating to matters affecting Indains and Indian communities; and

That, for this purpose, the said committee be authorized to sit while the house is sitting or during adjournments of the house; and

That the Clerk of the said committee and necessary supporting staff do accompany the said committee.

Mr. Arnold Peters (Timiskaming): Before this item goes through I should like to ask whether any consideration has been given to the nature and composition of the supporting staff. One of the other committees tried an experiment in this direction and encountered a certain amount of difficulty in reporting its proceedings because of the necessity of carrying recording equipment. Has any consideration been given to the size of the staff covered by the motion, or to what is really desirable in this direction? I have no objection to meetings being held and reported. I am merely curious to know what kind of supporting staff is envisaged in the motion and how extensive it is likely to be.

Mr. Laing: I would hope that the supporting staff sent along would be adequate, but at the same time, having regard to the type of work this committee will be undertaking I believe the greatest value of these visits to Indian reserves and Indian people will come out of the acquaintance with the problems which is granted to each individual committee member. So I think the hon. member may agree with me that we should not be criticized too strongly if we endeavour to keep the supporting staff to a minimum.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Pennell: Tomorrow we shall be dealing with Bill No. C-215, the dock workers bill—in that order, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Pennell: When this is disposed of there may be a short waiting period while the measure is brought to the other place, and it may be that the leaders may wish to confer with a view to dealing with some business in the interim. But I do not press this.

Mr. Knowles: Medicare?

An hon. Member: Estimates?

Mr. Douglas: Has the government definitely set its face against proceeding with the medicare legislation or would it be prepared to consider this between now and tomorrow?

Mr. Pennell: I can add nothing to what was said by the Minister of National Health and Welfare today. He said there was no unanimous agreement and that the government would not insist upon proceeding with the medicare legislation.

Mr. Howard: You do not have unanimous agreement to proceed with the legislation on the dock workers, either.

Mr. Olson: There is only one bill left—we could perhaps get on with it and finish it up tonight. Would the acting house leader not appeal to the house once more?

Mr. Howard: We would gladly agree to that, if the government would agree to putting off the dock workers bill, as well, until some time in the indefinite future.

It being six minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, July 14, 1966

The house met at 2.30 p.m.

HEALTH AND WELFARE

Second report of standing committee on health and welfare—Mr. Harley.

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

OLD AGE SECURITY

ANNOUNCEMENT OF GUARANTEED MINIMUM MONTHLY INCOME

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, earlier, in the house, I indicated the government's intention to provide a further program of income support for older persons in Canada. I promised members I would give the house a general outline of this program before we adjourned for the summer. I am pleased to carry out that commitment, but before I do there are a number of comments I would like to make.

First, I believe the action taken earlier by this house in approving the Canada Assistance Plan will be of real assistance to many older people. Also medicare, when it comes into effect, will bring substantial benefits; indeed, it will be of special importance to older people, just as hospital insurance has been.

I would also remind the house that since this government took office the flat rate pension has been increased from $65 a month to $75. Some 100,000 persons have been brought under the old age security program this year through lowering of the eligibility age to 69 and in January of next year, when the eligibility age will be dropped to 68, another 100,000 will receive full benefits. This yearly reduction in the eligibility age will continue until 1970 when all persons 65 and over will be entitled to the flat rate pension.

By this time, 1970, the flat rate pension will be available as a matter of right to some one and a half million persons age 65 and over. Also, of course, a steadily increasing level of retirement benefits will be payable under the Canada Pension Plan, commencing next January. The Canada Pension Plan, we feel, will largely solve the problem of basic retirement pensions when its provisions come fully into effect and pensions are payable at the full scales provided in it. The plan in itself is a generous one.

There are, however, many older people in Canada who cannot benefit fully, or at all, from the Canada Pension Plan, because they are already past the retirement age or because they will be retiring before the plan becomes fully operational. I do not have to remind the house that the position of this particular group has been of considerable concern to this parliament and to this government.

• (2:40 p.m.)

I would also note the recommendation of the joint committee on the Canada Pension Plan urging further measures on behalf of those people who, because they are or soon will be retired, will not be substantial contributors to or beneficiaries from the Canada Pension Plan.

The increase in the monthly flat rate pension and the lowering of the eligibility age are in line with this recommendation, but clearly this is not all that is needed. I can assure the house that the government, and more particularly my department, has for some time been exploring various additional ways through which adequate assistance can be provided for this group of people. I would recall, for example, a speech which I gave on March 2 in Regina in which this problem was discussed. At that time I noted that a considerable number of older persons would not be able to take advantage of the Canada Pension Plan. I went on to discuss some of the various approaches which were being considered to meet this problem.

It is apparent, then, that a further program of benefits should be considered for persons in this particular age group. We propose to introduce a program that will guarantee a minimum monthly income of $105 to old age security recipients.

The details of such an income guarantee program are now being considered. The total payments which will be required under this program will, of course, decrease over the years, as the Canada and Quebec pension plans come into effect and pay increasing benefits.

The program is being provided with these two plans in mind and is specifically designed for those people who are not and will not, because of age, be able to take advantage of the contributory pension plans. This, as I said, is in line with the recommendations of the special joint committee. Because it is an income guarantee program, and because of the increasing benefits that will be available under the Canada and Quebec pension plans, the burden on the federal treasury will be almost entirely a transitional one.

By using the contemporary income guarantee formula rather than the flat rate increase it is felt that income support can be provided at a higher level for a given outlay of funds. Through this income guarantee program the needs of the older citizen can be more adequately met in a way that is financially responsible and least burdensome on the treasury.

I can inform the house that such a program will be presented to parliament for approval in the autumn, after parliament has reconvened.

It is estimated that the annual cost to the treasury of such a program will be in the neighbourhood of $225 million at the beginning. The revenue measures that will be needed to meet the burden which these supplementary benefits will place on our national finances are also being considered.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, we have listened to the long awaited announcement just made by the minister with some trepidation and disappointment. While it is true the minister says this legislation will be coming before us in the fall for approval, we had hoped to deal with it now.

I should like the minister to explain whether this supplementary benefit will be based on a means test, which is not acceptable, because his statement was not clear in this regard. This announcement comes after a great deal of urging by the party on this side of the house to which I belong.

An hon. Member: And the Liberal backbenchers.

Mr. Rynard: And as someone has said, there has been some urging on the part of a Liberal backbencher. The government has finally seen the light. It is pleasing to note that we in this party have fought constantly for a pension increase and we are happy that we have succeeded at least to the point of having an announcement, even though the actual increase is still to be delayed.

[Mr. MacEachen.]

This program will bring a measure of contentment and happiness to our older citizens, and in a great many cases it will provide many of the necessities they need so badly when the program comes into effect. As the party which brought this question to a vote early in the session, we are pleased at the result to a point, and are most happy at the measure of justice we hope it will bring to our senior citizens. However, Mr. Speaker, I would ask the minister whether the increase could not be made effective as of now, to help combat the high cost of living.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, any announcement that indicates that there is to be an improvement in the income of our old age pensioners should be greeted with approval in this House of Commons. However, I must say that the statement the Minister of National Health and Welfare has at long last made to parliament is bitterly disappointing. In the first place, if there is anything in this program that has any value, that offers any help to our senior citizens, it should be put into effect right away.

Some hon. Members: Hear, hear.

Mr. Knowles: It is not good enough to tell the older people of this country that approval will be given in the fall to a measure the effective date of which has not been indicated to us in the statement given by the minister. The crux of this proposal is that there will be made available to our senior citizens an additional amount of money on a different basis from that on which they receive the present $75 a month. The minister uses the phrase "guaranteed annual income". He indicates in his statement that the details are yet to be worked out, but it is clear from such details as he has given us that the plan includes a means test under another name. All the government is proposing is that old age pensioners who do not have $30 a month of other income can qualify for up to $30 a month under this supplementary provision. That is a means test.

The proposed increase will be fine, if you forget the quality of dignity, for those who have nothing else. But there are thousands of older people in this country who, because there has been no means test in respect of the old age pension, have saved a little money and have incomes all told of $105, $110, or $150 a month. These people today are in desperate circumstances. In this legislation there is nothing for them at all. That is why I

say that this long awaited announcement, with all the fanfare we have had about it and the pulling of teeth it has taken to get it, is bitterly disappointing.

The minister does not make clear just where Canada Pension Plan benefits fit into this scheme, but I think one can see where they fit. They are to be part of the other income that comes under this means test that the minister calls a guaranteed annual income. The whole concept of the Canada Pension Plan was to provide additional income, and now it is income that is to be taken into account under a glorified means test. The minister makes it clear that this proposal is to be transitional in character. He says the burden on the treasury will diminish as the years go on and the Canada Pension Plan comes into full force. In other words—let us get this clear—this is not an increase in the old age security pension, which is what the people of this country want at this time.

Some hon. Members: Oh, oh.

Mr. Knowles: My friends across the way can groan, but they will really groan when they get back to their constituencies and meet their people when they have learned that this government has tried to fob them off with a supplementary payment which is on a means test basis.

• (2:50 p.m.)

Mr. Speaker, the parliament of Canada took one of the greatest steps in its history when it said that retirement income is a matter of right. We did that in 1951 when we removed the means test from the old age pension. To put it back on any portion of what our senior citizens are to receive is a retrograde step, and I hope that between now and the fall when we come back to deal with this legislation the government will repent of this decision and will announce a decision which the people of Canada want. The government will hear about the reaction of the country to this proposal from the hundreds of thousands of people who will not benefit from this measure at all, and I urge the government to reconsider its whole position.

The Minister of National Health and Welfare has let the cat out of the bag by giving us the figure representing what he thinks this plan will cost in the first year. The Minister of National Health and Welfare says that at the beginning it will cost $225 million a year. Since I heard that figure I have not had time to do my arithmetic in precise detail, but I have been able to compute that at best this will amount to an average of $15 a month for the people on our old age pension rolls during the first year.

The government says it is offering a total of $105 a month, which represents a supplement of $30 a month; but on an average, according to the terms of this proposal, it only comes to $15 a month or perhaps even less.

An hon. Member: It is only $11.

Mr. Knowles: Some of my friends have had more time to do their arithmetic than I, and they are saying it is only about $11 a month. This means, Mr. Speaker, that because some people will get the full amount, many if not most of our old age pensioners will not get any at all.

Therefore, Mr. Speaker, although, as I said in the beginning, one would expect that any announcement which does anything for our old age pensioners should be welcomed, this statement is bitterly disappointing. It is not satisfactory from a financial point of view and, what is even worse, it takes away from our senior citizens something that we gave them in 1951—their dignity, and their entitlement to their old age pension as a right. I deeply regret that a government which calls itself Liberal has announced that it intends to come in with such legislation.

The matter of old age pensions, Mr. Speaker, could be dealt with in a direct, straightforward and honest way, and I call upon the government to reconsider its decision. At the end of March, 1966, there was a surplus of $216,982,834.44 in the old age security fund, even after some of the money in that fund had been transferred to another fund. According to an answer given to a question placed on the order paper by the hon. member for Grey-Bruce (Mr. Winkler), the Department of Finance estimated that at the end of the fiscal year in which we now find ourselves, the total surplus in that fund will be $455 million.

In other words, even though we are lowering the eligible age and putting more pensioners on the roll, the surplus in this fiscal year will be greater than the surplus in the last fiscal year. This is money which comes from three taxes, 4 per cent on personal income up to a ceiling, a 3 per cent sales tax and a 3 per cent corporation tax, which were earmarked for the old age security fund by a decision of parliament. The old age security fund is on a pay as you go basis. The money

which is collected from the taxes paid by the people of Canada and which is being put into the old age security fund is for the payment of old age security pensions, and therefore I say it is a violation of the spirit of that act for the government to leave that money in the fund and not give it to the people for whom it has been collected.

There are over a million pensioners in Canada today. Perhaps there will be 1,200,000 by the time the 68 year olds get on the roll in 1967. I suggest, Mr. Speaker, that this year every pensioner on the roll could be paid the extra $25 a month that we urged they should receive, could be paid this sum retroactively to the beginning of the fiscal year, could receive the full $300 increase out of the old age security fund, and there would still remain in that fund at the end of the year a surplus of more than $100 million.

It is a disgrace, Mr. Speaker, for the government to come in with the statement that has been made today, in view of the money which is lying in the old age security fund. This money was collected for the old age security pension, collected on a pay as you go basis, but the government has refused to use it. I say that this statement today is bitterly disappointing to us in this house, and it will be received with great disappointment throughout the country as a whole because the people realize that not only is there a need for extra money on which to live, but there is a need for—

Mr. Speaker: Order, please. The hon. member knows the rule with respect to comments made at this time. The rules states that brief comments can be made by members of the parties in opposition.

Mr. Knowles: Thank you, Mr. Speaker, for reminding me of the rules. I am very familiar with them. I had something to do with the drafting of the rule to which you are referring.

I submit that the minister has made a lengthy, argumentive statement, and that the government itself has delayed this announcement until what could be the last day of the session before we recess. The minister promised this statement on the second reading of the Canada Assistance Plan, and promised it on several other occasions. There will be no other opportunity, unless the session continues, to speak on this matter. I think it is appropriate that one spokesman from each party should be allowed to comment on this statement.

However, I have almost completed what I wanted to say. Today even the pension of $100 for which we have asked is not enough.

Some hon. Members: Oh, oh.

Mr. Knowles: My hon. friends can laugh, just as they did when a pension of $50 was suggested some years ago.

Mr. Speaker: Order, please. As the hon. member for Winnipeg North Centre has pointed out, he is familiar with the rule to which I have referred because he has had something to do with having it drafted. However, the rule does not provide for an exception, even in the case of a debate such as this. I should like him to keep that in mind and perhaps bring his remarks to a conclusion soon.

Mr. Knowles: I thank you, Mr. Speaker, and I shall now be concluding my remarks. I urge the government to look at its position in the light of the financial needs of the older people of this country and in the light of the right of our senior citizens to their dignity. We gave it to them in 1951. Let us not take it away by a proposal of this kind.

[*Translation*]

Mr. Gerald Laprise (Chapleau): Mr. Speaker, following the announcement made by the Minister of National Health and Welfare (Mr. MacEachen), my remarks will be very brief, because I do not find very much to say except to criticize his statement about the increase in the old age pension.

After a great deal of thought and many hesitations, the minister made that statement today, at the very last minute before the adjournment of the present session, and instead of talking about old age security, he preferred to talk about the pension plan. I think therefore, that disappointment will be felt throughout Canada, because Canadians were expecting something else; as far as we are concerned on this side of the house, we would have preferred for our old people more than the crumbs offered by the minister in his statement.

As a matter of fact, the old people are led to believe that they are getting an increase in pension but, if you study carefully the minister's statement, you will find that instead the proposal will take something out of their income.

We saw that the minister succeeded in bypassing an election promise made last fall and we would have been surprised if he had offered us something else at this time.

In any event, over the recess we will have the opportunity and time to study more carefully the minister's recommendation and, when the session resumes in the fall, I am convinced that each member will see to it that the minister is made aware of the demands of the Canadian people, particularly those of the old people. I would not like to be in the shoes of the Liberal members who will have to explain the government's decision to their electors.

• (3:00 p.m.)

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, the announcement we have heard this afternoon is not quite what we have been waiting for. I am reminded of the story which used to be told by the late Solon Low about the farmer who was plowing a field which had a stream alongside it. While the farmer was on the far side of the field his son fell into the stream. As he came round on his tractor and heard the boy screaming he shouted "Hold on while I make another couple of rounds". It seems to me that the old age pensioners of this country are being asked by the government to hold on while the government makes another couple of rounds through the summer.

We have been waiting for some action by the government, expecting that we would receive news of what the papers have been calling over the last few days a generous addition to the incomes of the old age pensioners. But all we have is the promise that the legislation will be presented. Even a member with interests as recent as mine—

Mr. Horner (Acadia): Why did your party vote against it?

Mr. Johnston: We did not vote against it but afforded the government an opportunity to do something at that time. No one's disappointment is greater than mine at the lack of any specific announcement at this time of any action. One wonders what would happen if the advisers to the Prime Minister were to advise him during the summer to call another fall election, and just how long it would be before the necessary legislation to provide an increase would be implemented.

An hon. Member: Not much chance of an election.

Mr. Johnston: Somebody says that there is not much chance, and after this announcement I would be inclined to agree; but strange things have happened before.

This is a disappointing announcement. I appreciate the concept we hear of the guaranteed annual income, and I am concerned a bit when the members of the New Democratic Party back away from the concept of the guaranteed annual income every time it approaches. We hear a great deal from them about it at other times during the session, but when it actually comes close to being implemented we see a great deal of fright and a rapid retreat from what it seems to me must come. The only thing I would say is that if the guaranteed annual income is to be brought in and is to be successful in its initial and terribly important application, then it must be truly generous, and I do not feel that this increase is truly generous at the present time.

Mr. Winch: You are backing away now.

Mr. Johnston: I do not feel it is generous at the present time. I cannot quite understand the remark of the hon. member in the context of what I have just said.

I know this announcement will be a bitter disappointment to the old age pensioners in this country. I feel the thought which would best sum up their opinions is contained in one of the briefest letters I have ever received from an old age pensioner, which came to me about a month ago. All it said was "Will you lend me $200 till the government gets round to raising the old age security pension?" In that letter there was a sardonic note which I think will prove somewhat justified by the announcement we have had this afternoon.

At a time when every trade union in the country is demanding an increase in the wages of the workers, and at a time when the price index is rising constantly, I urge the government to reconsider this action and if it is at all possible under present legislation, or by order in council after we leave this chamber this afternoon, give a flat increase to the present pension of $75 a month, and then bring in a generous guaranteed annual income in the fall and proceed from there.

Mr. Kindt: Mr. Speaker, I rise on a point of order. I would ask the minister of health and welfare if he would, before this house closes or right now, make a clear-cut statement as to whether the means test is to be restored.

Mr. Speaker: Order, please.

INDIAN AFFAIRS, HUMAN RIGHTS AND CITIZENSHIP AND IMMIGRATION

WITHDRAWAL OF MOTION FOR CONCURRENCE IN REPORT

On the order: Motions:

Mr. Klein (Chairman of the standing committee on Indian affairs, human rights and citizenship and immigration):

That the second report of the standing committee on Indian affairs, human rights and citizenship and immigration, presented to the house on Thursday, June 16, 1966, be concurred in.

Mr. Klein: Mr. Speaker, in view of the government's resolution which was adopted yesterday by unanimous consent, concerning the subject matter of this motion, I wonder whether it is now necessary to move concurrence.

Mr. Speaker: This motion is dropped.

Order discharged and motion withdrawn.

OLD AGE SECURITY

GUARANTEED MINIMUM INCOME—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I beg leave, pursuant to standing order 26, to move the adjournment of the house to discuss a definite matter on urgent public importance, namely the total inadequacy of the policy just announced by the government which will deprive the senior citizens of Canada of the justice to which they are entitled, and the vital necessity of an alternative which would give an immediate increase of $25 a month to all citizens at age 65.

I plead urgency in the matter because of the critical rise in the cost of living and the position which I have consistently taken in the house this session.

Mr. Speaker: Would the hon. member kindly address the Chair on the question of urgency of debate?

Mr. Winkler: Mr. Speaker, I did not want to belabour the house. I made it quite clear that the position I have taken in this regard ever since the beginning of this session is based on urgency and need. As I said before I think it is sufficient for me to say that the critical rise in the cost of living makes my motion urgent and important.

[Mr. Speaker.]

• (3:10 p.m.)

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, it seems to me that the motion moved by the hon. member for Grey-Bruce makes out a basic case for urgency, in that the Minister of National Health and Welfare has today made his announcement about the government's program to take care of the elderly citizens of Canada.

Throughout the time the house was discussing the Canada Assistance Plan we were assured that some measure would be introduced to take care of the elderly people who are not covered by either the Canada Pension Plan or the Canada Assistance Plan. Only today have we been given some particulars regarding the government's proposal to fill this gap in our social security program. We shall have no other chance to discuss this matter until the house reconvenes some time in October.

It seems to me, therefore, that it is of the utmost urgency that parliament have an opportunity now, first, to express its opinion with regard to this proposal before us and, second, to give the minister an opportunity to tell parliament and the country the specific details of his program. Many old age pensioners, also many hon. members of the house, are still uncertain as to whether they are going to be covered; as to what the effective date will be; as to what will be the conditions employed in determining income; whether income will include alleged rent where a person owns his own home; whether assumed interest on assessed value of property will be taken into account, and whether some of the other factors which made the previous means test so unpopular will remain.

Therefore because parliament will have no opportunity, should it adjourn today, until next fall to discuss this matter, I think parliament ought to have this opportunity now of discussing the measure which the minister has forecast, so the members of this house might be given an opportunity to express their opinions and so the government might have a chance to give us some further information which is sorely needed.

Mr. Speaker: Order, please. I can tell hon. members that I am prepared to make a decision now. I do not think much purpose would be served by engaging in debate on this question at the moment.

I would ask hon. members to allow the Chair at this point to express its views on the motion which has been presented by the hon.

member for Grey-Bruce. Basically, in spite of the fact that the hon. member refers to a policy announcement which has been made by the hon. Minister of National Health and Welfare, the motion is based on a general question having to do with old age security and old age pensions.

It seems to me, and I have reached this conclusion having sat in this chair for some weeks now, that this matter has been debated on many occasions, and has been considered from all its aspects during the last few weeks and the last month. I do not think anything could be gained by having further debate on the matter at this time.

Despite the fact that a policy announcement has been made by the minister, the matter before me is the question of urgency of debate. I do not think anything would be gained at this time by having a debate now on the basis of the motion presented by the hon. member for Grey-Bruce.

DEFENCE PRODUCTION

REPORTED CANCELLATION OF CONTRACTS BY UNITED STATES

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Defence Production. May I ask the minister whether he is prepared now to give parliament the facts about the cancellation of a Canadian contract by the United States which was announced by Defence Secretary McNamara on Monday, and which is now described as a contract for rocket components?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, inquiries have been made of the Pentagon both as to what was actually said and what was meant with respect to this matter.

Mr. McNamara, by way of background, was discussing a proposed financial retrenchment program in respect of United States armed force procurement. He was indicating that some of the future plans for procurement of the department were going to be modified, and by way of citing an example he made reference to a contract for bombs to be cancelled, from Canada.

We have since learned that Mr. McNamara had reference in these circumstances, to an intention on the part of the United States Department of Defence not to extend or renew a particular contract for the production of explosives in Canada beyond the duration of the existing contract. There is nothing in this to suggest a cancellation of contracts. It is just that a contract for this particular commodity, with a Canadian firm manufacturing explosive material, will not be again entered into.

Mr. Starr: A supplementary question, Mr. Speaker. Could the minister tell the house what, in the cancellation or non-renewal of these contracts, it will mean in terms of employment and dollars and cents under our defence contract agreements with the United States?

Mr. Drury: Mr. Speaker, I do not think anybody knows what future contracts, which are not going to be proceeded with, might have been. This question is strictly hypothetical. We do know the value of the existing contract. We do know when it will be completed. In respect of the future, a further contract for the particular type of explosive in question will not be entered into. This, as the hon. gentleman can understand, is in the perfectly ordinary and natural course of doing business.

Mr. Starr: A further supplementary question, Mr. Speaker. In view of the statement the minister has made, which seems to have some definite aspects to it, is the government now prepared to offer some resistance to the cancellation of these programs?

Mr. Drury: Mr. Speaker, I must take exception to the use of the word "cancellation". As I indicated to the house the other day, there is between Canada and the United States a production sharing agreement, on the basis of which each country will work to a rough balance of procurement north and south and south and north respectively. At the present time the balance has run slightly in favour of Canada. As a consequence the United States has every right, under our agreement, not to further increase the imbalance in Canada's favour. If the United States, in moving toward a more precise balance, decides not to proceed with the procurement of a particular item for which it has no need, I suggest that Canada and the Canadian government are in no position to protest.

Mr. Starr: A further supplementary question, Mr. Speaker. May I ask the minister this. If in the curtailment of United States contracts in Canada the objective is to bring about a balance; and if that happens, as I am sure it will, that as the result of this announcement Canada will be on the short end

of this defence production agreement, will not the government launch a protest or do something with respect to the situation?

Mr. Speaker: Order, please.

Mr. Pearson: That is hypothetical.

Mr. Starr: It is not.

Mr. Speaker: Order, please. That question is along the same lines as the previous one.

INDUSTRY

INSTRUCTIONS FROM U.S. RESPECTING FLOUR FOR CUBA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): My question is directed to the Minister of Trade and Commerce. Yesterday the minister told the house that the Quaker Oats Company of Canada Limited had assured him that they had received no directive from their parent company with respect to the milling of flour for Cuba. I wonder if the minister's attention has been drawn to the fact that Mr. J. G. Wharry, president of the Quaker Oats Company of Canada Limited, said that his company will voluntarily act in such a way as not to conflict with the U.S. trading with the enemy act, lest this should bring the parent company into any conflict with the laws of the United States.

In view of that statement I would ask the minister what action he proposes to take, since the statement of the company's president appears to run contrary to item No. 3 of the guide lines which the minister announced in this house on March 31, as shown at page 3714 of *Hansard.*

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, I am aware of this report. I spoke to the president and told him how I regarded the situation. He assured me quite categorically, as I said yesterday, that he had received no instruction or directive of any kind from his U.S. parent. He was acting in what he thought was the best interests of his company. As a matter of corporate decision they felt they did not need to participate in this business. Canadian owned companies thereby benefit because they will have an opportunity of milling more flour.

I also asked him if he was familiar with the government's program of guiding principles. He of course said he was because he had received the letter and replied to it, subscribing to the principles contained therein. We also discussed whether or not Canadian interests will suffer as a result of any action he is taking. They will not, as can be inferred from what I have said.

I then told him that in the event Canadian industry did suffer in any way my attitude would be quite different and I would be obliged to take another point of view. The president said he would be glad to conform to any wishes the Canadian government had to express in this regard.

Mr. Douglas: As a supplementary question may I ask the minister whether he considers it in keeping with Canada's dignity as a sovereign nation that an American subsidiary should consider it is bound by the laws of the United States and can ignore the guide lines set down by a Canadian minister, because if this principle were adhered to by an increasing number of subsidiaries—

Mr. Speaker: Order, please. That question is clearly argumentative.

Mr. L. R. Sherman (Winnipeg South): As a supplementary question, in view of what the minister said a moment ago in response to the original question put by the hon. member for Burnaby-Coquitlam, in view of the fact that Russian officials are expected in this country next month to arrange for the milling of close to half a billion pounds of Canadian flour destined for Cuba, and in view of the fact that American owned mills in this country are not expected to bid on the job, is the minister assuring the house that our Canadian owned mills will be capable of filling this contract?

Mr. Winters: I understand that is the case, Mr. Speaker, and in any event they have the opportunity of doing so. The Canadian industry will not suffer in this regard.

Mr. Sherman: As a further supplementary, can the minister allay the logical suspicion that Canada could sell more wheat flour to Cuba if the American owned mills in this country could be counted on to bid on these jobs?

Mr. Speaker: Order. This question is also argumentative.

[*Translation*]

HOUSE OF COMMONS

INQUIRY AS TO HOLDING BY-ELECTIONS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I would like to direct a question to the Prime Minister. Does he intend to announce shortly that by-elections will be called to fill the vacancies in the house?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Before long, Mr. Speaker.

NATIONAL SECURITY

INQUIRY AS TO ESTABLISHMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Prime Minister. Is he prepared to tell us when the promised inquiry into security will get under way and who will head the inquiry?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I had hoped that it would have been under way by now, but it has taken longer than we expected, or hoped, to work out the details of all the terms of reference. That has now been completed and we are in the process of inviting commissioners to take on this very important task which will extend over many months.

TRANSPORT

ST. LAWRENCE SEAWAY—REQUIREMENT FOR AMORTIZATION OF DEBT

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Transport. I ask this question now because it is obviously impossible to put a question on the order paper and get an answer before October, and irrevocable steps may be taken by the government in the next three months. In view of the stand which the government has taken that it has no alternative but to increase St. Lawrence seaway tolls, is the minister not aware that there is nothing in the St. Lawrence seaway act which requires the Canadian seaway authority, unlike the statutory requirement for its United States counterpart, to amortize its debt over a specific period of time?

Mr. Speaker: Order, please. The question as asked is not acceptable.

[*Later:*]

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I wish to direct a question to the Minister of Transport. The urgency of my question is based on the great concern expressed by Canadian farmers in respect of this matter. Is it a fact that the minister has agreed to accept the St. Lawrence seaway authority recommendation that tolls be increased on the seaway?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think I told the house the other day, but perhaps it is useful to repeat it, that the government has accepted no position in this matter because we are very anxious to have negotiations continue with the United States and we think it would be much better to have a joint understanding than to have each country act separately.

Mr. Hees: As a supplementary question to the Minister of Transport, is it not correct that Welland canal tolls form no part of the St. Lawrence seaway agreement with the United States?

Mr. Speaker: Order, please. I do not think this question is acceptable either.

OLD AGE SECURITY

GUARANTEED INCOME—INQUIRY AS TO MEANS TEST

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, without seeking controversy I would simply like to ask the Minister of National Health and Welfare this question. Does the announcement he made this afternoon, relating to pensions and a guaranteed annual income for our older people, involve a means test?

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Grafftey: Mr. Speaker, I would like to ask one more supplementary question. Without making a play on words, the minister said it does not involve a means test, but does it involve a needs test?

Mr. MacEachen: No, Mr. Speaker.

Mr. J. H. Horner (Acadia): Mr. Speaker, I would also like to ask the minister a supplementary question with regard to the announcement he made this afternoon. Does he

realize—he will correct me if I am wrong—that the measure he has announced will place a penalty on all the earlier recipients under the Canada Pension Plan?

Mr. Speaker: Order, please. This question is argumentative.

Mr. H. E. Gray (Essex West): Mr. Speaker, as a further supplementary I wish to ask the minister whether the measure he announced today to assist our older citizens reflects the recommendation of the Croll committee to provide them with a guaranteed minimum income based on income tax returns?

Mr. Speaker: Order. This question cannot be accepted for the same reason as others were rejected.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question could the minister tell the house what he anticipates will be the effective date for the implementation of the program he announced on motions?

Mr. MacEachen: Mr. Speaker, the effective date will be disclosed in the legislation.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Will the senior citizens of our country who will be eligible for the increase he mentioned earlier today be subjected to a test as to their income or resources before they will receive any additional money?

Mr. MacEachen: Mr. Speaker, the details of any particular method of applying the guaranteed income will be disclosed in the legislation.

Mr. Churchill: May I ask a supplementary question. I am right in concluding that there will be an investigation of their resources and income before they become eligible for it?

Mr. Speaker: Order. The question is argumentative.

[*Translation*]

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO INTENTION OF GOVERNMENT

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

Since, in the light of studies it has undertaken, the Quebec government will be unable to implement a medicare program before January 1, 1970, would the minister or the government agree to postpone the national medical care program until January 1, 1968?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, we propose to proceed with the medical care program in accordance with the bill which is now available to hon. members.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question I wish to ask the Prime Minister whether he has had any opportunity to consider the appeal I made to the government last night to give consideration to proceeding with second reading before the house adjourns for the summer recess?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. I read my hon. friend's statement on this subject, but we propose to follow the plan that has been outlined and proceed with second reading of the legislation shortly after our return.

Mr. Douglas: As a further supplementary—

Some hon. Members: Oh, no.

Mr. Douglas: —has the Prime Minister made any commitment to the official opposition not to proceed, as would seem to be indicated by the statement made by the hon. member for Ontario as recorded at page 7606—

Mr. Speaker: Order, please. The hon. member for Simcoe East.

Mr. Starr: Mr. Speaker, I rise on a point of order based on the question asked by the hon. member for Burnaby-Coquitlam and the implication contained in it. The meetings of the party house leaders were never conducted on the basis of an agreement with one party. I would point out that we have tried to expedite the business of the house. The government has made its own decisions and we have tried to conform with those decisions by passing the legislation which the government wanted.

There should be no implication whatsoever made by the hon. member for Burnaby-Coquitlam.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. It seems to me we are now renewing a discussion which took place yesterday when the hon. member for Burnaby-Coquitlam put certain statements on the record. The hon. member has asked a question along the same lines today. The hon.

member for Ontario has risen on a point of order, and I suggest to hon. members that there is no point whatever in renewing the discussion which we had yesterday on this matter.

Mr. Douglas: On a point of order, Mr. Speaker, I am not renewing the matter at all. I was referring a few moments ago to an interjection the hon. member for Ontario made as found on page 7606 of *Hansard*. At that time the hon. member for Winnipeg South Centre was speaking.

Mr. Speaker: Order, please. I suggest to the hon. member that there is no point of order. There is a discussion between two hon. members as to who said what and I suggest this is not a point of order which should be brought up at this time.

Mr. Douglas: Mr. Speaker, on a question of privilege, the hon. member for Ontario is taking exception to something I said and it seems to me I am entitled to clarify that point.

Mr. Crouse: He did not. He raised a point of order.

Mr. Douglas: The point I sought to have clarified was an interjection when the hon. member for Winnipeg South Centre was speaking and said:

The acting house leader has now placed something else in front of us—

Mr. Speaker: Order. Is the hon. member suggesting the question of privilege he is trying to raise now arises out of today's proceedings?

Mr. Starr: On a point of order again, I did not raise a question of privilege. I rose on a point of order.

Mr. Speaker: This is my understanding. I understand the hon. member for Burnaby-Coquitlam is now rising on a question of privilege. I suggest that as soon as possible he should state what the question of privilege is.

Mr. Douglas: Mr. Speaker, I was seeking to do that. My question to the Prime Minister was based on something which I understood the hon. member for Ontario had taken exception to. I think I am entitled to clarify the statement I was making. The statement to which I referred arose out of a comment by the hon. member for Winnipeg South Centre when he said:

The acting house leader has now placed something else in front of us which was not in that arrangement. This, I think, is breaking the word of the government house leader that he conveyed to us on this side of the house.

The hon. member for Ontario interjected:

Also the Prime Minister.

I asked if the Prime Minister had also made such a commitment.

Mr. Speaker: Order.

MEDICARE—BASIS OF FEDERAL CONTRIBUTION TO PROVINCES

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the conflicting statements on the proposed medicare bill, will the minister tell us whether the federal government will pay 50 per cent of the actual cost of medicare in each province?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the answer to the question is no. The federal government will pay 50 per cent of the per capita cost of medicare programs in participating provinces.

Mr. J. H. Horner (Acadia): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Would the minister state whether or not the provinces will be given the right to opt out of the medicare legislation?

Mr. Speaker: Order. I believe this question was discussed in the course of the debate which took place in the house.

[*Translation*]

POWER

QUEBEC—INQUIRY AS TO CONSTRUCTION OF THERMONUCLEAR PLANT

On the orders of the day:

Mr. Auguste Choquette (Lobtinière): Mr. Speaker, I should like to put my question to a minister well endowed with spiritual energy, the Minister of Mines and Technical Surveys.

My question is urgent, Mr. Speaker, because of the increasing concern with regard to the steel complex which was supposed to be set up at Bécancour. Could the minister tell us whether the fate of that thermonuclear plant, which is to be set up in Bécancour by the federal government, is connected with that of steel?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): No, Mr. Speaker.

Mr. Choquette: A supplementary question, Mr. Speaker. Can the minister tell the house whether he had today, or whether he is supposed to have in the near future, consultations with the new Quebec government concerning the thermonuclear plant.

Mr. Pepin: No, to the first question, Mr. Speaker, and to the second question also, I hope.

Mr. Choquette: My last question, Mr. Speaker, is whether the thermonuclear plant is to be set up at Bécancour?

Mr. Pepin: The matter is being considered by the cabinet, Mr. Speaker.

[*English*]

AIR TRANSPORT

INQUIRY AS TO BOARD HEARINGS ON REGIONAL POLICY

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Transport. Will the Air Transport Board be holding hearings this summer on the subject of regional air policy? If so, when will these hearings commence and where will they be held?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, as I think the hon. gentleman surmises, there are to be hearings on the application of TransAir Limited to give up certain of their prairie runs. Those hearings are bound to have an effect, I would imagine, upon regional air policy but there is no plan for hearings on a regional air policy as such.

Mr. Dinsdale: May I ask a supplementary question, Mr. Speaker. Will the present temporary arrangements for regional air service continue in effect until such time as a firm policy is established?

Mr. Pickersgill: They will continue in effect until such time as the Air Transport Board has reached its conclusion with regard to these particular hearings.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a supplementary question. Will the minister this summer, after a brief homecoming holiday in Newfoundland, get busy on transport legislation to be dealt with when we resume in the fall; because in spite of the two ministers' play on words no transport legislation of any significance has been brought before the house so far this session.

Mr. Pickersgill: Mr. Speaker, the minister has been busy on this for the last six months. He expects to be busy on it through the recess and is very hopeful he will have legislation acceptable to all parties in the house, which will be passed in one day's debate.

AGRICULTURE

SHEEP—REQUEST FOR MEASURES TO ENCOURAGE INDUSTRY

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, lest anyone thinks the shortage of wool in Canada has been caused by the government's efforts to pull the wool over the eyes of the people, I should like to point out to the Prime Minister that Canada's sheep population is now at the lowest ebb since records have been kept. I should like to ask the Prime Minister what he proposes to do to encourage the sheep industry.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, while hon. members have been woolgathering we have been acting.

[*Later:*]

Mr. Nasserden: Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. All joking aside, will he give the Minister of Agriculture instructions to consider the sheep industry in an attempt to see whether something can be done in this regard?

Mr. Pearson: Mr. Speaker, I shall be glad to discuss the matter with the minister as soon as he returns.

COAL

NOVA SCOTIA—INQUIRY AS TO ASSISTANCE PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Mines and Technical Surveys or the Minister of National Defence or possibly the Prime Minister. The government can never make up its mind, so I do not know who is responsible for answering. The question is with reference to the cabinet committee which I understand has been set up concerning the problem of the Nova Scotia coal

mining industry. May I ask whoever is going to answer the question how soon the cabinet committee may be in a position to provide a report? I ask this question because today may be the last opportunity we will have to provide an answer to the coal miners of Nova Scotia in respect of how soon they may receive the assistance promised by the Minister of National Health and Welfare and later confirmed by the Prime Minister and other ministers in the house.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it is not customary to talk about matters discussed in the cabinet or a cabinet committee in the house.

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister advise the house whether the government intends to introduce legislation when parliament resumes in October to try to control the very serious rise which is taking place in the cost of living?

Right Hon. L. B. Pearson (Prime Minister): A great deal of our legislation is already having that effect, Mr. Speaker.

Mr. Hees: May I ask a supplementary question. Does the Prime Minister consider that the unprecedented rise of 1 per cent in the last three months shows control by the government?

Mr. Speaker: Order, please. This question is not in order.

LABOUR RELATIONS

HAMILTON, ONT.—STEPS TO SETTLE STRIKE OF LONGSHOREMEN

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I have a question relating to the one I asked yesterday which I should now like to direct to the Minister of Labour. In view of the critical situation in respect of the longshoremen's walkout at the port of Hamilton, has the minister anything further to add to the report he made to the house yesterday?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am glad to be able to say that the situation does not appear to be as critical now as it was at this time yesterday. Yesterday I referred to the fact that one of my officials had been asked to intervene in the dispute and that a meeting was to take place in Montreal yesterday between representatives of the longshoremen of the eastern ports. I understand that such a meeting took place last night which was attended by, among others, the international president.

Prior to that meeting there was some discussion about arbitrating the issues that gave rise to the Hamilton and Toronto dispute. I am assured that it was agreed that following an exchange of correspondence in an attempt to work out this situation earlier today the Hamilton workers are to return to work. The Toronto workers have continued on the job. Instead of arbitrating the issue the parties have agreed to await the results of the industrial inquiry commission set up to look into the St. Lawrence ports situation. It is my hope that the Hamilton workers will be back to work later today or tomorrow.

FINANCE

INQUIRY AS TO PUBLICATION OF TAXATION COMMISSION REPORT

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the Prime Minister or the Minister of Finance whether an up to date forecast has been made as to the date of the publication of the report of the Carter royal commission on taxation? If it is made available during the recess of parliament, will it be released at that time so hon. members may have an opportunity of studying it before we resume?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I expect that the Carter commission will present its report during the parliamentary recess. As I said in the house in answer to a similar inquiry some time ago, there are difficulties regarding the French version of the report. Special measures are being taken to reduce any delay that might be occasioned by the preparation of the French version. I hope it will be possible to have the report published in both versions during the recess, but it will not be early in the recess. We will be fortunate if it is published before we are back sitting in this house.

Inquiries of the Ministry

GRAIN

WHEAT—REQUEST FOR HIGHER INITIAL PAYMENT

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Finance who reports for the Canadian Wheat Board. In the last two or thee days has he received any direct communication from the National Farmers Union or any other farm organization requesting an increase in the initial wheat payment, and can he say whether any action is to be taken by the wheat board toward this end?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I can confirm that I have received representations about the initial price of wheat for the coming crop year from the farmers union and other organizations. Some of those representations were in favour of increasing the price while others were in favour of leaving it as it is. I expect an announcement will be made on Monday.

WATER RESOURCES

HAMILTON, ONT.—CONSTRUCTION OF POLLUTION RESEARCH CENTRE

On the orders of the day:

Mr. J. C. Munro (Hamilton East): Mr. Speaker, can the minister of energy resources advise the house whether the government has uner consideration the construction of a pollution research centre at pier 29 in Hamilton bay?

Mr. Speaker: Order, please. I hesitate to suggest that the hon. member place this question on the order paper. Perhaps he can speak to the minister.

TRADE

DEBATE ON PROTOCOL TO CARIBBEAN CONFERENCE AGREEMENT

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce or the Secretary of State for External Affairs. A few days ago I asked the Acting Prime Minister whether it would be possible to arrange for the house or a committee to consider the protocol signed by Canada and the West Indies. I should like to know now whether any decision has been made in this regard, particularly in view of the vexation transportation aspects?

[Mr. Sharp.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I believe it would be a very good idea to have a committee of the house examine the protocol. There should be no difficulty in submitting it to the committee on external affairs which could meet for that purpose.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to direct a supplementary question to the Minister of Trade and Commerce which is related to the question I asked yesterday in erspect of this problem. Has the minister any information as to the immediate effects these trade plans may have on the ports of Halifax and Saint John so that the fears in respect of what could happen this summer may be dispelled?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for giving me notice of this question. The principal ports concerned with the waiver of the direct shipment regulation would be Halifax and Saint John. Imports from commonwealth Caribbean countries through these ports account, in the case of Halifax, for only one-third of 1 per cent of total cargo from all countries, and in the case of Saint John for only 3.8 per cent of the total. Most of these cargoes are sugar, molasses and salt which are carried in bulk and are unlikely to be affected significantly by the termination of the direct shipment requirement. The other principal cargo imported into Canada from the Caribbean is alumina and bauxite which, as hon. members know, is carried in bulk direct to the smelters.

Any harm that might possibly be done to the ports of Halifax and Saint John I believe will be insignificant when viewed in the light of the broad context of the benefits that are bound to flow from the agreement reached at the conference last week.

Mr. Bell (Saint John-Albert): I thank the minister for that reply. I hope the house has noted that rum was not included in the list of imports referred to as commodities entering the maritimes.

Mr. Winters: Rum is one of the commodities we concentrated on considerably during the conference.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, when the minister stops chuckling about rum I should like to ask him to advise the house, and particularly the members from the maritimes, whether he will keep a very close eye

on the reaction of other countries which might also approach Canada for similar terms and preferences?

Mr. Winters: Mr. Speaker, what has been done in this connection cannot be regarded as a precedent. We will keep our eyes on other such developments that might tend to take place.

AIRPORTS

TORONTO—REPORTED PLANS FOR EXPANSION PROGRAM

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I have a question for the Minister of Transport. Did the minister inform the Toronto *Telegram* that the government has plans for a $100 million expansion program for the Toronto airport?

Hon. J. W. Pickersgill (Minister of Transport): No, Mr. Speaker, I said exactly the opposite. I was absolutely startled when I read the article which seemed to suggest, although it did not say so exactly, that I said something of that kind. I did say that we were beginning to make long range plans for the superjet and supersonic age, that these would take a great deal of time and that there were no plans at the present time for any construction at the airport at Toronto. I hope there will not be another silly story rumoured around about this government embarking on another such $100 million project, which obviously resulted from the imagination of some newspaperman.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Transport. If the government does not have any immediate plans for the expansion of Toronto airport, why are the people there who are commentating and answering questions during conducted tours of the airport talking about the grand plans for its expansion?

Mr. Pickersgill: I will get the officials there to change the gramophone record if that is the one they are now using.

WOMEN

REQUEST FOR STUDY OF STATUS BY ROYAL COMMISSION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct my question to the Prime Minister. Two weeks ago I asked him whether or not he would give consideration to the request of 32 national organizations representing nearly 500,000 Canadian women for the establishment of a royal commission to study the status of women in Canada. He replied, with very great enthusiasm, that there was nothing he would rather look into. Now that he has had an opportunity of looking into the matter I should like very much to know whether he intends to give consideration to this matter by the appointment of such a commission.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have looked into it and as a result of my investigations have decided to be very cautious.

Some hon. Members: Oh, oh.

Mr. Pearson: But seriously, Mr. Speaker, this matter is before the government. The Secretary of State has been pushing it hard, and when the Secretary of State pushes hard something almost inevitably happens—something.

NATIONAL DEFENCE

INQUIRY AS TO FURTHER CHANGES IN HIGH COMMAND

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Associate Minister of National Defence. Is the Minister of National Defence considering further immediate changes in the high command of our defence forces in view of the public acknowledgement of the new chief of staff that the minister's policy of integration has been a complete failure?

Hon. Léo Cadieux (Associate Minister of National Defence): I will have to ask the minister.

Mr. Churchill: Is not the statement of the chief of staff that his first job is "to sell integration and explain why it had to come" a clear indication of the deplorable state of morale in our armed forces and the failure of the policy of the minister and associate minister?

CANADA ASSISTANCE PLAN

INQUIRY AS TO IMPLEMENTATION BY PROVINCES

On the orders of the day:

Mr. Keith Hymmen (Waterloo North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I note that

quite a few questions have already been directed to him today. With the recent passage of the legislation implementing the Canada Assistance Plan and its important provisions, can the minister advise the house whether he has specific information from one or more of the provinces as to how soon improved welfare assistance might be made available under their jurisdiction?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I have no specific information with respect to the implementation of the programs under the Canada Assistance Plan in the provinces except the program initiated in the province of Prince Edward Island, which expected to use the Canada Assistance Plan.

NATIONAL PARKS

SASKATCHEWAN—INQUIRY AS TO PROPOSED PARK

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. Has any action been taken by his department with a view to establishing a prairie national park in any area now being used for the grazing of cattle?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, our officials have been working very closely with the officials of the parks branch of the province of Saskatchewan in respect of three different areas. I would not be in a position to tell the house today which is the more desirable area, but I will tell the hon. gentleman that the matter of the reduction of agricultural land has been brought to our attention by the province of Saskatchewan.

Mr. R. R. Southam (Moose Mountain): A supplementary question, Mr. Speaker. In view of the fact that the minister announced the policy of a second national park a year ago last April 22, when will the minister be in a position to advise the house that the location of a second national park in Saskatchewan has been decided upon?

Mr. Laing: Mr. Speaker, the hon. member should know that the responsibility rests with the province of delivering this property to the federal government free of encumbrance, so we are partners in the creation of a national park. However, it would be our hope that some time in 1966 we could make an announcement in respect of a second national park in Saskatchewan.

[Mr. Hymmen.]

COAL

NOVA SCOTIA—INQUIRY AS TO ASSISTANCE PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is to the Minister of Finance and is supplementary to one I have already posed. May I ask the hon. gentleman whether he can advise us how soon the coal miners of Nova Scotia may expect some action on the long delayed promise of financial assistance? Does he also realize that the coal miners of Nova Scotia do not appreciate the callous and facetious manner in which he is handling this problem?

Mr. Speaker: Order, please. The question is out of order on many grounds, and the period for questions has now expired. Orders of the day.

Mr. Peters: Mr. Speaker, on a point of order, before you call the orders of the day, could we ask that consideration be given to adjusting the clocks in the chamber so that members will know when the question period has ended? This may also be advantageous later in the day.

LABOUR CONDITIONS

PROVISION FOR IMPLEMENTATION OF FINDING OF INDUSTRIAL COMMISSIONER

The house resumed, from Monday, July 11, consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-215, respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, when this bill was before the house earlier in the week I made a full statement, perhaps too lengthy in the opinion of some people at least, which I trust showed very clearly that in spite of hard bargaining, conciliation and mediation efforts over a period of several months settlement without some action by parliament appeared to be impossible.

I think I might say that on the whole the meetings that took place on Saturday, June 11, and in the early morning of June 12 were constructive and very worth while. With a view to avoiding supplementary statements by some of my colleagues, I wish to summarize the happenings on those two days. On the morning of Saturday, June 11, Judge Lippé and my deputy minister confirmed

what the former had said to me the previous day, namely, that the counterproposal of the Shipping Federation of Canada, made a day or two earlier, to the minimum demands of the unions made back on May 26 had been turned down by the unions.

The mediator said to me on the Saturday morning that in his opinion and that of my deputy minister, who had been with him during the last two days of the discussions and mediation proceedings, there was no chance of the parties reaching agreement without some definite assurance to the Shipping Federation, the employer, that they might expect, or might hope at least, for increased productivity, not in 1966, but in 1967, in return for the substantial increases and the assurances of job security that the unions were insisting upon and that he felt that parliamentary action at an early date might be necessary.

I might say that on the previous day the mediator, Judge Lippé, had suggested to me that, to bring the strike to a close consideration should be given to having the three or four remaining crucial issues referred to an industrial inquiry commission, and that the government give consideration to introducing legislation with a view to making binding the findings of such a commission on those three or four matters. Shortly after my discussion with the mediator I conferred with the Prime Minister (Mr. Pearson) and had a meeting with the legal adviser of the Shipping Federation. This was a very brief meeting. I outlined to him briefly Judge Lippé's proposal.

Later the same morning my three colleagues, the Minister of Transport (Mr. Pickersgill), the Minister of National Health and Welfare (Mr. MacEachen) and the President of the Privy Council (Mr. Favreau), Judge Lippé, my deputy minister and I met in my office with Mr. Cutler, the legal adviser of the longshoremen's union, and with a few of his clients and Mr. Jodoin, President of the Canadian Labour Congress. At that meeting I first reminded the union representatives—and this had been a cause of complaint on their part and probably a justifiable one—that they now had had for a day or two the counterproposal of the Shipping Federation for which they had been pressing. I then went on to say that since that counterproposal had been turned down there now appeared to be what was described by one of them as an impasse and which I called a deadlock. I said that the government was strongly of the opinion that an early solution must be found. I then confirmed to the group in my office that I intended, as Minister of Labour, to establish an industrial inquiry commission to look into the working conditions in the three ports and into certain other matters.

• (4:00 p.m.)

I may say that this matter had been under consideration for some weeks, again at the suggestion of the mediator. I then suggested that the possibilities for increased productivity, related job security and other related matters might be referred to the commission for immediate study, and that the other phases of the proposed inquiry into industrial unrest and difficulties on the St. Lawrence, mainly parking facilities on the dock, safety and other matters, might be deferred until later in the year, possibly as a second phase of the study by the commission.

I further suggested that a way out of the deadlock might be found in legislation making the findings of the commission on increased productivity and related matters binding, and that in the same way job security for longshoremen, which was a matter of special concern to the international vice-president, Mr. Tremblay, might be dealt with by the same commission. I stressed the fact that the strike had been on for over a month and that an early solution must be found even if that solution lay in referring the matter to parliament.

As I have already informed the house, and I want to make this clear particularly in view of an editorial that appeared in the Montreal *Star* today, Mr. Jodoin, the president of the Canadian Labour Congress, stated he was opposed to compulsory arbitration. We knew that and we appreciate the reasons for labour organizations being opposed to compulsory arbitration, although there might be circumstances when legislation making certain findings binding would be necessary. I might say that Mr. Cutler, the legal adviser of the longshoremen's association, also stated that his clients were opposed to any legislation that would make the findings of the commission binding.

I then put a question to Mr. Cutler in the presence of my colleagues, the deputy minister, Judge Lippé and others. I asked him what would happen if the government were to decide to make the findings of the commission binding in regard to the three or four remaining points—there were 50 or more in the early stages. I mentioned to him that there seemed to be a block to reaching an

agreement and I wondered what would be their position. Mr. Cutler then said clearly and unequivocally that while his clients were opposed to binding legislation, we could rest assured that they were Canadians and would co-operate if the government set up a commission. He then said he would advise them on any legislation that might be passed and that they would obey it. There was no question about that. I was not surprised to get that assurance from a fellow member of the bar. I thought it a reasonable statement on his part.

Mr. McCleave: But he did not agree.

Mr. Nicholson: True, he did not agree. He told me they were not in favour of legislation which makes anything binding, that it is not in keeping with the principles of democratic labour organizations, or words to that effect. I understood his position. We invited ideas for any solutions and when they were not forthcoming I reiterated that legislation might be the answer.

At about that time the Minister of Transport had been studying a memorandum which contained the counterproposals of the Shipping Federation to which I have referred. He proposed to the International Longshoremen and to their solicitor in the presence of the president of the Canadian Labour Congress that to bring an end to the dispute and to get the men back to work, the strike having lasted for over a month by this time, the government was in fact prepared to introduce legislation, which would ensure that the conclusions of the commission on these three or four crucial points would be made binding—and this proviso was very clear—provided the International Lonshoremen's Association and the Shipping Federation could reach an agreement on wages and the other points, of which there were altogether about 12 in the memorandum. I may say that at that particular meeting there were no representatives of the Shipping Federation present. Those present were myself, my three cabinet colleagues, the mediator, the union representatives and their lawyer. Only five or six of the union representatives were present; the others were waiting outside.

After we had discussed this matter for the better part of an hour we adjourned to a room in the west block where simultaneous translating facilities are available so that those of the members who were in attendance who did not understand English would have the benefit of full discussion. During that meeting, which lasted nearly an hour, my

cabinet colleagues and I said we intended to meet that afternoon with the representatives of the Shipping Federation and that we would try to find out how far the Shipping Federation would go to improve the terms of payment contained in the counterproposal to which I referred, and which the Minister of Transport had in his hands, if they got a definite assurance from us that the findings of the commission of the crucial issues might be binding. I am not saying the word "crucial" was used, but I refer to the three or four outstanding points.

At that same meeting the president of the C.L.C. stated that he was leaving because of a prior engagement and would not be present at the meetings held later that day. He again stated that the congress, as a matter of principle, was definitely opposed to binding legislation in disputes between labour and management. I am not sure he used the words "in principle" but that was the gist of what he said.

My cabinet colleagues and Judge Lippé and I left that meeting, having conveyed to all the people present in English and through simultaneous translation, that we were going to put this proposal before the Shipping Federation together with the suggestion that, if the parties could agree on all the outstanding points except the three or four I mentioned, we were prepared to recommend that parliament make these findings binding.

• (4:10 p.m.)

After lunch my three colleagues and Judge Lippé and I, met with the representatives of the Shipping Federation and their lawyer. We had a very full discussion. In fact, the discussion took so long that I thought that perhaps our persuasive powers had lost some of their effectiveness. In the meantime the longshoremen left the building after waiting two or three hours. They returned later. Nevertheless, even though the I.L.A. members had left, we continued our efforts and in the very late afternoon the Shipping Federation said that they were prepared to agree to a substantial wage increase and other benefits mentioned in the memorandum, subject to some details which had to be worked out as to whether it was 20 cents on return to work and 20 cents retroactive or some other terms. These were matters of detail.

There was discussion also about what the terms would be in 1967 and how they could be tied in with the findings of a commission of inquiry, if it were set up. However, in principle, they agreed to take their chances

with what an industrial inquiry commission might find in the field of increased productivity. If the commission found that the gang structure should be limited to 16 or 17 or 15 or should be increased to 19, which the Shipping Federation would not concede, they would accept these findings and would take their chances on them. They then agreed in return for that to give 40 cents per hour for 1966 and an additional 40 cents that was requested for 1967. There were some other items in the middle about which there did not seem to be any difficulty, as I have mentioned.

I might say that when the Shipping Federation agreed that they would meet the demands on wages within reason subject to the negotiation of certain details, my colleagues and I, with the knowledge and approval of the Prime Minister (Mr. Pearson) because the Minister of Transport (Mr. Pickersgill) who was Acting Prime Minister and I had both talked to him earlier in the morning, gave such an assurance. I might say that after a full month of a crippling strike, crippling not only to the people of Canada but to the workers and others directly involved, we felt as a government, or working as a committee of the government speaking for the government, that we had no alternative but to accept our responsibility as a government and to recommend legislation to parliament if the parties, as I have said, could agree to the wages and these other times. The Minister of Transport and I both made that quite clear to both sides.

After the Shipping Federation had agreed to this proposal, subject to negotiation of these details, my colleagues and I along with Judge Lippé met during the evening with the union representatives and their lawyer to discuss the proposal that had come out of our lengthy afternoon meeting with the Shipping Federation and our earlier morning meeting with the longshoremen. As I have mentioned, Mr. Jodoin was not there during the afternoon or evening meetings.

I want to say to this house in unequivocal terms that in my view, and in the opinion of those of my colleagues who were present during the final stages of these negotiations, there is not the slightest doubt but that the Shipping Federation would not have agreed to a settlement along lines, which some of the union members later referred to as fabulous, had we not made to them a clear and positive commitment of the nature to which I have referred.

I want to assure this house also that Mr. Cutler, the legal adviser, and the I.L.A. negotiators were aware of every step of the negotiations from approximately 11.30 in the morning of Saturday, June 11, and that if the parties could agree on wages and these other issues, we were prepared to recommend to parliament legislative action which would make the commission's findings binding with regard to gang structure, sling loads consistent with safety, job security of longshoremen in good standing and related matters. Our whole course of action—when I say "our" I refer to my three cabinet colleagues, the Minister of Transport, the President of the Privy Council (Mr. Favreau) the Minister of National Health and Welfare (Mr. MacEachen) and myself—on Saturday morning and early Sunday was predicated on the fact that the Shipping Federation and the Longshoremen's Association knew the course we had in mind, and that the later discussions that took place on wages and what the division would be between an allowance for job security and an allowance for straight wages were predicated on that knowledge. I might say again, in view of some of the newspaper articles that have appeared, that though the union representatives did not join in the request for a commission, nor did they formally agree to having the representations implemented by legislation, to say the least they appeared to be realistic. They wanted to see the matter settled and they wanted to see it settled as quickly as possible.

They led us to believe that, if agreement could be reached on the points mentioned by the Minister of Transport, they would cooperate with the commission and that they would obey any law that parliament might pass making these findings binding. I might say that even though the negotiations were broken off and we were tired and disappointed, I was still hopeful a settlement would be reached. It did not seem to me that there were too many differences. I was confirmed in that opinion when on Monday morning, June 13, while my three colleagues and I were in the Prime Minister's office, a telephone call came through to the Prime Minister. It was from Mr. Jodoin. The Prime Minister turned to us and said that Mr. Jodoin had said he was speaking on behalf of the I.L.A. and asked the Prime Minister if we would receive a representative group from the Longshoremen's Association. The Prime Minister, again relaying his conversation with Mr. Jodoin, told us what Mr. Jodoin had said to him—I

made a note of the words—that the parties were so close to an agreement the day before he thought a meeting with the Prime Minister present might bring an end to the dispute and result in an early return to work.

The Prime Minister suggested that if they were close to an agreement they might meet in the office of the Minister of Labour with me and the cabinet colleagues who I have mentioned. He gave an assurance the minister would try to get the representatives of the Shipping Federation to come to Ottawa for concurrent or subsequent discussions. As a result of that telephone call meetings did take place during the late afternoon and early evening of the 13th with representatives of the I.L.A. and representatives of the Shipping Federation. During the late evening of the 13th, from shortly before ten o'clock, and continuing into the early morning of the 14th, further meetings were held in the Prime Minister's office. I might say that the Prime Minister first met with representatives of the Shipping Federation but the I.L.A. representatives were in a room not far away. Then the Prime Minister, along with the rest of us, met with representatives of the I.L.A. Still later he met again with each of these groups separately, with the rest of us present.

Finally, the representatives of both parties met with us in the Prime Minister's office. By this time, nearly two o'clock in the morning, a settlement was reached. The settlement was announced to the press. Mr. Speaker, I think an incident occurred which is of very great importance. An aide-mémoire had been prepared by my colleagues and myself for the Prime Minister's use. This aide-mémoire is most important because it confirms definitely the fact that the findings of the commission on these limited issues were to be made binding by legislation.

• (4:20 p.m.)

I should like to read into the record the memorandum which the Prime Minister read, first to the representatives of the Shipping Federation:

At the meeting of the cabinet committee this afternoon with the bargaining committee of the I.L.A. there remained three points outstanding, as follows.

1. Saturday call in.
2. The application of retroactivity on overtime.
3. Four hour recall.

I understand that the first item has been disposed of and I will not raise the matter at this point for consideration.

I propose to ask the I.L.A. to drop its demand for the application of retroactivity on overtime. I am now asking the representatives of the Shipping

[Mr. Nicholson.]

Federation to accept the following proposal with respect to the four hour recall:

1. That the four hour recall be instituted when the men return to work.
2. That this item—

The recall item.

—be submitted to the commission for examination, and that the recommendation of the commission with respect to this item be binding in precisely the same way as the recommendation with respect to gang size. The four hour recall would then be dealt with and included within the contract in the manner specified by the commission.

After that proposal had been placed by the Prime Minister before the Shipping Federation representatives they adjourned to caucus. Then the Prime Minister with the same persons present, the cabinet colleagues to whom I have referred and Judge Lippé, invited the representatives of the Shipping Federation into his office and he read them this statement, except that it was in the converse.

Mr. Lewis: I presume the minister means the I.L.A. representatives.

Mr. Nicholson: I beg your pardon, yes, the I.L.A. I will skip the introductory part. Again the Prime Minister said:

I understand that the first item has been disposed of and I will not raise the matter at this point for consideration.

When speaking to the I.L.A. representatives he used these words:

I now ask you—

The I.L.A.

—to drop your demand for the application of retroactivity on overtime.

These are the notes that I made when this statement was being read with the representatives present. The Prime Minister continued:

I have asked the representatives of the Shipping Federation to accept the following proposal with respect to the four hour recall:

1. That the four hour recall be instituted when the men return to work.

2. That this item be submitted to the commission for examination, and that the recommendation of the commission with respect to this item be binding in precisely the same way as the recommendation with respect to gang size. The four hour recall would then be dealt with and included within the contract in the manner specified by the commission.

Mr. Lewis: May I ask the minister a question at this point? Am I right in thinking that at this meeting the president of the Canadian Labour Congress was present?

Mr. Nicholson: At this meeting, Mr. Speaker, the president of the Canadian Labour Congress was present. I might say that he took relatively little part in the conversation at that time, although at one stage, again in fairness to him, he did say: "You know, Mr. Prime Minister, we are opposed to legislation which makes any findings of a commission binding", or words to that effect.

As I have said, Mr. Speaker, agreement was reached on the strength of the assurance that we gave to the Shipping Federation. We gave it with prior knowledge on the part of the I.L.A. that we were going to discuss this. For approximately three or four hours, perhaps longer, late Saturday night, the 11th, and on the early morning of the 12th, we did not discuss in detail wages and some other items in the eight or nine other areas upon which basically agreement had been reached. But we did discuss whether the 40 cents payable in 1957, that is, the second part of it, would be payable when the commission report came in and whether it would be payable on April 1, May 1, or June 1. These points were discussed at some length.

Before we left the Prime Minister's office and after we had all been photographed, I might say that I saw many of the longshoremen officials shaking hands with some of the officials of the Shipping Federation, with whom they were hardly on speaking terms a month before when I first met them. It was a very jovial, happy occasion. Photographs were taken in which they, Mr. Jodoin and the rest of us participated. When we left the Prime Minister's office it was agreed that the lawyers for the two parties and certain other representatives, not all of them but enough to be truly representative, would meet in my office later the same morning to prepare minutes of settlement.

I might say, Mr. Speaker, as you already know, that the terms of settlement were filed in this chamber, along with certain other documents, by my parliamentary secretary on the 8th instant.

Mr. Lewis: Would the minister forgive me if I ask another question at this point? Do I understand him to suggest that the first draft of the terms of settlement was prepared by the lawyers for the two parties and that a draft was not prepared by his department which was presented to them?

Mr. Nicholson: I am glad that question has been asked. When the parties reassembled, knowing that time was an important factor my deputy minister had taken it upon himself, he having been present throughout the whole proceedings, to draft what he thought might be minutes helpful to both sides, because he had no particular axe to grind one way or the other. This draft was then submitted to both sides. I was there for part of the discussion but not for all of it. Several changes were made in the draft which was prepared by my deputy minister, Dr. Haythorne.

One significant change which I remember very clearly was this. If you look at *Hansard* for July 8, page 7436, the 12 points on which agreement had been reached are enumerated there. Then appears this paragraph:

> The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above—

Those are the old agreements which expired last year.

> —and these amended agreements—

The agreements amended by the terms of settlement to which I have referred.

> —shall remain in effect until December 31, 1967, unless amended by negotiations—

Then I actually said: "What about the binding legislation? There is no reference to that and that has clearly been understood." Therefore, the words "or otherwise" which appear in the seventh last line on that page were inserted to cover that situation; there is not the slightest question about that. Mr. Cutler himself discussed the words with me, as did Mr. Pathy representing the I.L.A. Judge Lippe and my deputy minister were there and they took part in discussing whether better words might be used.

Mr. Douglas: They were delightfully uninformative.

Mr. Nicholson: I will tell you why, just to be clear on this for my hon. friend. The Longshoremen's Association had taken the position that they did not want to commit themselves to something that had binding legislation in it. But it was definitely understood that the words "or otherwise" covered that situation, and that was the purpose of putting them in. Whether it was done by agreement or by legislation, that covered it. The only other way you can change a binding agreement, except by agreement, is by legislation; there is not the slightest question about that. I am sure that if Mr. Cutler, Mr. Pathy or the others were questioned about this they would confirm that that was the situation.

When I announced the settlement in the house on the afternoon of that day, I said that an industrial commission would be established and that I would have more to say on that subject after the commission was established. It has since been suggested in this house by the hon. member for Skeena (Mr. Howard) that I should have advised the house at that time that the government intended to introduce legislation along the lines of the present bill. I had a statement to this effect prepared. Originally such a statement was included in the notes that I subsequently used in the house.

• (4:30 p.m.)

As a matter of courtesy and fair dealing I showed it to the legal adviser for the Longshoremen's Association. He said: "I hope, Mr. Minister, that you will not have to refer to binding legislation when speaking in the house because, acting for the longshoremen, my clients should have an opportunity to explain the settlement to their members and they might get a mistaken idea if you make reference to the legislation aspect in the house." I amended the notes accordingly, and I believe that the paper that went to the *Hansard* office will show that. That seemed to be a reasonable request from Mr. Cutler, and I complied with it.

Mr. Douglas: Before the minister leaves that point, may I ask him whether the same considerations applied when the minister was making the announcement of the commission itself?

Mr. Nicholson: I think that all I did at that time was to table the document, knowing that I expected to introduce the bill within a day or two. I just tabled the document and, as I recall, made no statement.

It is the considered view of the government that the passage of this legislation at this time is both advisable and necessary in order to fulfil the undertaking which we, with the knowledge though perhaps not with the actual consent of the unions, gave to the federation.

The new pay rates provided for in this agreement, namely, the extra 40 cents an hour and the retroactive features, are now in effect. I can assure members of the house, if they need any further assurance, that there would have been no settlement without such an undertaking and there would have been no return to work. We were prepared to leave the matter in the hands of parliament, with a strong recommendation to be made in the light of the history I have recited.

The government believes that its commitment should be fulfilled at this time and not later. It should be done now when the matter is fresh in the minds of those who participated in the final discussions. It should not be done some months from now.

At this point, Mr. Speaker, I wish to refer to a letter which I received from Mr. Cutler, whom I met frequently in the course of these negotiations. I found Mr. Cutler co-operative. He wrote me a letter dated June 20 which is of some significance because it includes the legal opinion he had given to his clients, which opinion was addressed to Mr. Tremblay, vice president of the International Longshoremen's Association.

When I received that letter I wrote the letter to Mr. Cutler appearing on page 7438 of *Hansard*. I shall read that:

Dear Mr. Cutler:

I received your letter of June 20 and appreciate your action in forwarding a copy of your letter of June 16 to Mr. Gerard Tremblay, Vice President of the Atlantic coast district of the International Longshoremen's Association.

In order to clear up any possible misunderstanding with respect to the settlement reached on June 14 between the International Longshoremen's Association locals in Montreal, Trois-Rivières and Quebec and The Shipping Federation of Canada, there are a few observations which I would like to make on your letter to Mr. Tremblay.

During our discussions on June 13 and 14 and previously on June 11 and 12, both Mr. Pickersgill, who was the Acting Prime Minister in Mr. Pearson's absence over the week end, and I stated that, provided the parties reached agreement on all of the other items in dispute, the government was prepared to establish an industrial inquiry commission to carry out an independent and objective study of problems in connection with improvements in productivity, job security and related matters, and to take steps to have the conclusions reached as a result of this independent industiral inquiry commission implemented by legislative enactment.

You will recall that the same commitment was made by the Prime Minister during the meetings held in his office on the night of June 13.

This commitment was directly associated throughout our discussions with the wage settlement for both 1966 and 1967 which, as you know, was only accepted by The Shipping Federation of Canada on the strength of this commitment.

I do not think I need read the rest of the letter.

After that letter was written I received a message from Mr. Cutler suggesting that the terms of reference of the industrial inquiry commission which I had filed in the house were not clear enough, that provision had not been made for job security for some people who may have worked less than enough time

to give them certain sick benefits that are referred to under the collective agreement. Mr. Cutler, I think properly, complained to me and to my department that the terms were ambiguous and should be cleared up.

I said: "If there is any ambiguity about them, they will be cleared up, because I told you positively that the terms would include job security for all bona fide union longshoremen, whether they have worked 300 hours or 1,000 hours." I recall that I used the expression to him that people with arthritic backs might come to work for three or four hours a day or for three shifts a week. I said that we were prepared to leave problems such as these to the industrial inquiry commissioner to decide, and that if there was any doubt about the terms of the commission we would clarify them. When I spoke to Mr. Cutler on the telephone he said that he had received the letter and that there was no misunderstanding with regard to its contents.

On June 30 the Prime Minister and I received telegrams, copies of which appear on pages 7439 and 7440 of *Hansard*. I do not need to refer to those telegrams in detail because they can be found in that part of *Hansard* to which reference has already been made. In this connection I wish to direct hon. members' attention to pages 7440 and 7441 of *Hansard*. I repeated exactly the same thing in those telegrams.

The Prime Minister sent a telegram shortly after I did saying he was familiar with the contents of my telegram and referring to this memorandum that I have read out today. I shall read the Prime Minister's words, and I quote from page 7442 of *Hansard:*

> Referring your telegram to me of today's date in which you refer to your wire to Minister of Labour I have seen his telegram in reply. My own knowledge of the facts fully confirms this reply.

This refers to the statement that finally the matter would be made binding by legislation which was read to the longshoremen or their lawyers in Mr. Jodoin's presence late on the night of June 13 and the early morning of June 14.

The bill now before the house, Mr. Speaker, is short. It speaks for itself. On behalf of the government and in light of the facts as I have related them, I would ask for its early passage.

Hon. Michael Starr (Ontario): Mr. Speaker, the Minister of Labour (Mr. Nicholson) in his concluding remarks said that the commitment should be fulfilled. The obvious question arising in one's mind is, to whom? I shall have something to say about that later.

• (4:40 p.m.)

I must confess I felt somewhat sorry for the Minister of Labour because he has had to relive the events he has spoken of. He had to tread that tortuous path of events again not only on Monday last but also today for almost two hours. I also felt sorry for him as he wound his way through the gamut of discussions, meetings, luncheons and dinners. The disappointing part is that he eventually came to a point of inconclusion because in presenting this bill he admits that all the matters in dispute between the shipping companies and the I.L.A. were not dealt with. Today we are being asked to deal with Bill C-215 to complete the dealings between the two parties to the dispute, the shipping companies and the I.L.A.

There are two parts to the preamble to the bill and the first paragraph contains the following:

> —it was recommended that an industrial inquiry commission be appointed under the Industrial Relations and Disputes Investigation Act to inquire into certain matters on which agreement was not reached and to report its conclusions thereon to the Minister of Labour at the earliest possible date;

I can agree with that. In fact, no one in the house would be in disagreement with it. But the second part of the preamble reads:

> And whereas an industrial inquiry commission to inquire into those certain matters has been appointed under the said act, and it is in the national interest that the conclusions of the said commission with respect thereto be carried into effect without delay following receipt of the report of the said commission, by the incorporation of those conclusions in the terms of settlement that were entered into following the settlement of the other issues involved in the dispute and in any collective agreements entered into pursuant to those terms of settlement;

The second part of the preamble is nothing else but compulsory arbitration, and compulsory arbitration in its most extreme form. Not only are the terms binding on both parties but they are to be imposed before knowing what they are. Today parliament is being asked to impose upon labour and management conditions which have not yet been decided upon or revealed.

I ask myself, what has happened to this government, a government which until recently on every occasion hid its activity in respect of this matter behind the curtain of the principle of free collective bargaining? I am not going to set out the events as my colleague from Halifax will do that, but when the government was asked questions time and again during the question period respecting

the progress of the dispute and the activity of the Minister of Labour, it maintained that it believed in the principle of free collective bargaining. Yet today we are being asked to pass a bill to impose the conclusions of a commission of inquiry upon labour and management, and make those conditions part of a collective agreement even before they have been reached. In my opinion this represents a total breakdown of the machinery of collective bargaining.

Some hon. Members: Hear, hear.

Mr. Starr: In its defence the government says that this is necessary, but I say to the government that no legislation is necessary at this point at all. A commissioner can be appointed. No one will object to that. The commissioner can go to work and eventually, upon hearing both sides and investigating the situation completely, he can make a report to the Minister of Labour who in turn should refer that report to the interested parties as a basis for collective bargaining.

Today the government is not following the collective bargaining procedure. It has abandoned the principle which it led us to believe it believed in. It has thrown that principle to the winds. Members of the government are saying that compulsory arbitration is now the order of the day in the settlement of disputes between management and labour. They are saying: This is what we want; we do not know what the recommendations will be but we want them rubberstamped before they are made and parliament will be that rubber stamp.

This legislation is based on assumption. The government is assuming that the recommendations will be acceptable to both parties. What will be the situation if the recommendations are not acceptable? Will that tend to a happy and harmonious situation between these two parties for the duration of the present agreement? This is almost prophetic legislation. We do not know what is going to be recommended but we are being asked to put unknown recommendations into effect.

I say that this approach makes a mockery out of parliament. It makes a mockery out of collective bargaining. What remedy would there be if an error were made in the recommendations? If this legislation is passed and a report is made to the minister, it then becomes law. How can it be changed? It will be fixed and unalterable and will require action by parliament to make even the slightest alteration, however beneficial it might be.

This is the kind of thing a government resorts to when it cannot cope with a situation, and this government has proven to be inept, indecisive and incompetent in matters of this kind. It has allowed such matters to drag on day after day, week after week, month after month, in this particular case for over a month, before acting, and it acted only when the tie-up of the ports was in danger of bringing about an economic crisis. Then and only then did the government proceed by way of concessions to both sides.

How did the government get management to accept the increased wage packet? I would say obviously by giving an assurance that an inquiry would be set up and that binding recommendations would be imposed regarding the work gangs and the loading and unloading operations. In fact, the Minister of Labour admits this. In this connection I quote from the remarks he made on Monday, July 11, as recorded at page 7523 of *Hansard*. They are interesting because I think this is the crux of the whole situation. He said:

> We left the morning meeting at about 1.30 p.m. to meet with the Shipping Federation with whom we spent several hours in the afternoon. They insisted—

The Shipping Federation.

> —that an agreement must be reached for the reorganization of longshoremen's gangs, new types of slings and other changes that might result in increased productivity. Eventually they did agree that if the government would take the responsibility for setting up the commission and agree to pass legislation, they would acquiesce in such a course and would agree to the second payment of 40 cents in 1967; 15 cents were paid on January 1 and 25 cents later in the year when the recommendations of the commission were implemented.

• (4:50 p.m.)

This was the deal; this was the basis upon which this government then proceeded. What was the reaction? The Minister of Labour in his statement the other day said the reaction was not one of acceptance. He said that the unions then stated they could not go along with the proposal for this commission. If the government wishes to establish the commission it can. They have no power to stop the government setting up a commission. In his statement on Monday last, at page 7523 of *Hansard*, the minister said:

> There were further discussions in the afternoon during which there was no doubt as to their acquiescence to certain aspects of the proposal.

What aspects of the proposal?

> —the president of the Canadian Labour Congress said again that the Congress was opposed to compulsory arbitration and that he wanted to make it clear.

Mr. Cutler, according to the Minister of Labour, said that if the government does set up a commission and if the government is prepared to take the responsibility of making findings, "we will obey the law". Why not? The representatives of Canadian unions certainly obey the law. What else can they do if this government forces compulsory arbitration? If it becomes law the members of the union, who are good Canadians, will obey the law. That does not mean they acquiesce in the procedure now being taken by this House of Commons.

I say that all the statements which have been cited by the Minister of Labour as having been made by the president of the Canadian Labour Congress and the representatives of the I.L.A. are emphatic statements of opposition to compulsory arbitration. In view of these emphatic statements, was it not obvious at that time and is it not obvious now to the government that compulsory arbitration was not and is not acceptable? Yet the government goes ahead because of a commitment to the shipping companies. Why is parliament today asked to impose compulsory arbitration and buy a pig in a poke, to use the words of the Minister of Labour?

We of this party always have been against compulsory arbitration and in this particular instance we will oppose this legislation and vote against it. This is a last resort against the will of the unions who want to protect collective bargaining. This matter can be settled under the collective bargaining procedure. This is a serious mistake. I should like to repeat what I said earlier. The commission should be set up and the commissioner should make his inquiry. He should make his recommendations and the Minister of Labour could then take the recommendations and submit them to the parties. Then the two parties could study the report in an effort to ascertain whether or not it provided a basis for agreement.

As I said, under those circumstances there was no need for this legislation. This bill sets a very dangerous precedent. It says to management and to labour: This is it; we, the government, will legislate for you regardless of your wishes because we know best how these matters can be settled. This matter should be dealt with when the contents of the report are known and the recommendations have been made public and not before.

I say to the minister and to the government that this matter should be reconsidered. The government should not jeopardize the position of free collective bargaining, something which they have said they stand for. Now they have thrown it overboard. They should reconsider their position. A commission should be established, a report made, that report should then be the basis for collective bargaining between the two parties much in the way a conciliation board report is. There should be an opportunity for free collective bargaining and not compulsory arbitration regardless of what the recommendations are.

What if the recommendations are not agreeable to the Minister of Labour himself? What if they are contrary to the things we stand for? How can you impose upon management and labour the conditions in a report? They might not agree and would have to pay for it for the balance of the life of the agreement. I say to the government that they are doing a very dangerous thing in introducing this bill. They are setting a bad precedent. They ought to reconsider this matter and withdraw the bill. They should set up a commission which would make its recommendations and submit them to the two parties as a basis for collective bargaining procedure.

Mr. David Lewis (York South): Mr. Speaker, it is a pleasure for me to begin my remarks on this occasion by expressing my appreciation of the very clear and able presentation of the case which the hon. member for Ontario (Mr. Starr) has made. I suggest to the minister that the hon. member for Ontario placed the case before him in a reasoned and restrained way, as I too hope to try to do. I should like to join him in his request that the minister and the government reconsider their insistence on this legislation being placed before us.

I appreciate fully the difficulties which the minister had in this very important struggle on the waterfronts of Montreal, Quebec and Trois-Rivières. I do so because, as hon. members know, I have had many years experience in a professional capacity in labour relations. Indeed, I have acted for many unions in Ontario and throughout Canada. I have acted also for locals of the International Longshoremen's Association in Toronto and Hamilton. I have had no dealings with locals in the province of Quebec but I have acted, as I said, for Ontario locals.

Therefore I appreciate fully that the parties are perhaps not the most flexible in labour negotiations. I can understand that on many occasions during the many weeks of

strike the minister and his colleagues, like all of us in this house, felt rather desperate about the developing situation. I say to him, however, that the bill he has proposed is totally unjustified. It is an evil yielding to the pressure of one side in the dispute. It is giving in to the Shipping Federation which is a rather tough outfit. It is legislation forced on the government by the Shipping Federation, and if it is legislation which the government really supports in principle, then this government stands condemned in the annals of labour history in this country.

I say to the minister that the legislation is wrong in principle. I say to him that it perverts the Industrial Relations and Disputes Investigation Act under which he appointed the commissioner of inquiry. I say to him it is also recklessly premature. It is an indication of weakness on the part of the minister and the government and is a shameful abdication of their responsibility to the labour movement of Canada.

Throughout his feeble defence of this bill the minister has been trying to place the responsibility for it in part on his contention that the union, if it did not actually agree, may have acquiesced and that if it did not actually acquiesce it at least knew it was coming. I say to him that in spite of his words, and I am not for one moment questioning his veracity or honesty, the record, as contained in the documents which he filed and which are appended to *Hansard* of Friday, July 8, 1966, shows that the union categorically denies any approval of binding arbitration and has insisted that the minister cannot use the pretence that the union approved as a defence for his action. That fact is stated in the letter which the minister quoted from Mr. Cutler to Mr. Tremblay. It was also stated in the telegrams which have been tabled and form part of the appendix. I do not wish to take the time to read them; they are on record. I challenge the minister to show me in any communication from Mr. Cutler to him or to the Prime Minister (Mr. Pearson) that has been tabled or appended to *Hansard* one word of acquiescence or agreement to binding arbitration legislation.

• (5:00 p.m.)

I continually asked the minister to table these documents, but I must say I got fed up asking. There is another document in the minister's possession which he ought to have tabled. I refer to the telegram from the president of the Canadian Labour Congress, Mr. Claude Jodoin, dated July 8, 1966 to the minister, a copy of which Mr. Jodoin sent me. The telegram reads as follows:

> Following telegram sent today to labour minister Nicholson quote answer your telegram July 7, at no time was there any agreement by the I.L.A. in my presence nor by myself on behalf of the C.L.C. to compulsory or binding arbitration. I regret to have to disagree with your account of the discussions. References to an inquiry were to an investigation which would look into the situation with a view to possibly making suggestions which might be considered by the parties. It was the position of I.L.A. that such consideration would have to take place in the next negotiations. If compulsory legislation is introduced it will clearly be the responsibility of the government and in no sense can be attributed to any agreement made by the union.
>
> Claude Jodoin President C.L.C.

Any one of us who have had any experience in labour negotiations—

Mr. Pickersgill: Would the hon. member permit me to ask him a question for the purpose of clarification? Is it not correct that he received that telegram after the documents were tabled on July 8? I am sure he does not want to leave the impression that the minister deliberately did not table that document. A copy of it was sent to me and it reached me well after the other documents were tabled.

Mr. Lewis: The Minister of Transport is quite right. I received it after the documents were tabled. I am not accusing the Minister of Labour of hiding anything. But several days have passed since July 8 on any one of which he could have tabled this document. Surely it is not necessary, in respect of such an important matter, for us on this side of the house to keep pulling documents from him one by one. I was on the verge of asking him to table it on several occasions but I said to myself: No, I will wait and read it into the record. The document was in his hands and he could have tabled it at some time since July 8. I became fed up trying to get these documents tabled.

Mr. Nicholson: May I ask the hon. member a question? Did you not succeed in having a whole batch of documents tabled on just one occasion shortly after your request? You did not get them one by one.

Mr. Lewis: If the minister wants to go into this subject, let me remind him that I asked him for correspondence between the union and himself, between the union and the Prime Minister and between the congress and the minister. I then asked him whether he would table the aide-mémoire to which he

referred today. I asked for this correspondence on several occasions, in fact, so often that I reached the end of my tether.

Mr. Nicholson: Will the hon. member not agree that within two minutes of the time of his request I tabled all the correspondence which now appears as an appendix to *Hansard*?

Mr. Lewis: I have no intention of attacking the integrity of the minister. He did file this correspondence, but in doing so he failed in a minor way in his duty in not tabling the telegram from Mr. Jodoin. I merely point that out, and that is as far as I wish to go.

In any case I suggest to the minister that in spite of his explanation I, as one member of many in this house, was misled by him, inadvertently no doubt, as to what his intentions were. At no time until he actually introduced this bill did he suggest what was in his mind with regard to compulsory arbitration.

Let me refer to the statement of the Prime Minister made on June 9 in answer to a question asked by my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas). This is recorded in *Hansard* for that date at page 6173. The Prime Minister said:

> Contrary to what the hon. member has suggested, and to what was suggested in the press release I have received from the New Democratic Party to the effect that there is no hope of an early breakthrough, there is hope of success in the negotiations.
>
> We have not given up that hope. Judge Lippé is negotiating at this moment; we have been in touch with him during the last hour and we have not by any means given up hope that this serious issue will be settled very shortly by the processes of free collective bargaining and not by parliamentary direction.

If one reads the minister's statement of June 14 he will see that the minister made no reference to what Judge Lippé said or what Mr. Cutler suggested. His statement made it quite clear that the commissioner of inquiry to be appointed was to be appointed under the Industrial Relations and Disputes Investigation Act. If my memory serves me correctly, he used those very words. One does not have to be a labour expert to know that a commissioner appointed under the Industrial Relations and Disputes Investigation Act does not make binding recommendations but that he makes recommendations for the parties to consider.

When the minister appointed a commissioner under the provisions of that act, whether he intended it or not he misled this house and the labour movement. He may not have intended to do that, but the objective result was that he misled all of us as to what this commissioner of inquiry would do.

When the minister tabled the document appointing the commissioner on June 23—this is to be found on page 6785 of *Hansard*—he made a short statement to the effect that he was tabling the document appointing the commissioner. He could have indicated his intention, at that time, but he did not.

• (5:10 p.m.)

I apparently have mislaid the order in council appointing the commissioner but I venture to rely on my memory and state that the preamble to the appointment referred to the Industrial Relations and Disputes Investigation Act, indicating clearly that the commissioner of inquiry was being appointed pursuant to that act. I repeat again that any commissioner appointed pursuant to that act is a person who makes recommendations for the consideration of the parties, and he is not a final and binding arbitrator. Nor, I suggest to the minister, can he hang this legislation around Judge Lippé's neck. I appreciate that in his presentation today the minister seemed to suggest—I did not hear exactly what he said—that verbally Judge Lippé suggested that the findings of the commission be final and binding. But it is a most interesting coincidence that the date of Judge Lippé's report, which was tabled, is June 23, 1966, precisely the date on which the minister appointed the commissioner of inquiry under the Industrial Relations and Disputes Investigation Act without saying anything about making his conclusions final and binding.

What has happened in this case, I suggest to the minister with the greatest respect, is that two things were being presented by the government and by Judge Lippé and, whether deliberately or otherwise, the two things have been scrambled in their presentation to this house. One, an entirely separate thing that was presented to the parties and was discussed, was the appointment of a commission of inquiry under the Industrial Relations and Disputes Investigation Act for the purpose of inquiring into the question of productivity and making recommendations thereon. Everybody on both sides of the quarrel knew that this was not a mandatory thing, that the recommendations are not obligatory, not compulsory, but that on the contrary they are voluntarily put before the parties for their consideration.

Later in the game the Shipping Federation apparently said, "We will not give any increase in the second year unless we have this improvement in productivity and therefore you must tell us that you will make mandatory the results of the commissioner's findings. Otherwise we will not play the game." The minister and the government said, "O.K., boys; if that is your wish we will do it for you."

That undertaking, that promise to the Shipping Federation, need not necessarily have anything to do with the appointment of a commissioner of inquiry. Time and time again the minister in his statement said, "The union said they would co-operate with a commissioner of inquiry." Of course they would. Why wouldn't they? The fact is that they refused at first but finally they said, "All right, we will co-operate." Indeed, you cannot have a commission of inquiry looking into anything unless the union co-operates; otherwise the commission of inquiry is not worth a hoot in hades. You cannot have a commission of inquiry looking into the size of gangs and what the union members do unless the union is there, brings witnesses and presents its case. Until such time as you get the union to co-operate, the appointment of a commissioner is, of course, an entirely useless act. So they were finally persuaded to co-operate with the commissioner.

Time and time again—I repeat this because it is important—whether deliberately or not the minister scrambles up the perfectly sensible appointment of a commissioner of inquiry to give the facts to the parties, in order that they may be able to discuss what they want to do about them, with the second fact which is entirely unrelated to it, namely, making the commissioner a compulsory arbitrator. And the minister places in the mouth of the union spokesman statements—I say this without intending any offence to him although perhaps I should not be so kind in view of the legislation that has been put before us—relating to the appointing of a commissioner and to binding arbitration as if they were both made in one sentence at the same time. He knows very well they were not. He knows very well that the reply to one had an entirely different context from the reply to the other.

Too many times have I seen fellow practitioners of mine in the courts and before boards doing precisely that, namely, adding together two parts of statements made at different times in different contexts and trying to make them one in order to give a certain image to the statement. Toward the end of my remarks I will come back to this matter, Mr. Speaker, because it is important in its relationship to the total situation.

We are opposed, as the minister has said on many occasions he is opposed, as the Prime Minister has said he is opposed, as the hon. member for Hamilton East (Mr. Munro) indicated when he interrupted me during some remarks I made on the labour estimates to express his criticism of a bill proposed by the hon. member for Skeena (Mr. Howard), and as the breast-beating by everybody on the Liberal side of the house has indicated—I am sure my hon. friend the minister of manpower is of this opinion—to compulsory arbitration and in favour of free collective bargaining. Yet the party across the aisle in this chamber brings in this sort of bill.

The hon. member for Ontario is entirely right when he says that this is the worst, the most evil kind of compulsory arbitration, because it is not imposing on people recommendations which have been made public, which the minister and the government have had a chance to study, which members of parliament have had a chance to look at, which the parties have had a chance to study. It is not imposing on them results which are known, which have been examined and about which people have an intelligent and studied opinion. It is asking this parliament to rubberstamp results before anyone knows anything about what they may be, including, may I add, the commissioner himself.

During his representations the other day the minister said, if I may put it this way—I am not quoting his exact words but I am sure he will remember this—that the Shipping Federation was ready to buy a pig in a poke. The Shipping Federation may have been but I do not see why this parliament should buy a pig in a poke—

Some hon. Members: Hear, hear.

Mr. Lewis: —or why this parliament should force the dockworkers to buy a pig in a poke. It is because of the general principles of free collective bargaining, about which all of us care so much, that we are opposed to the imposition of compulsory arbitration except in the most serious and obvious national crises. I will come back to that, too, toward the end of my remarks. I say to the minister—and this was covered in the bill proposed by the hon. member for Skeena—that he had two alternatives on June 13 and 14. He could either have decided to place on the statute

books a law which would have put in force those items which the parties had already agreed upon—

Mr. Munro: What do you call that?

Mr. Lewis: You call that, I say to the hon. member for Hamilton East, legislation enshrining their agreement.

Mr. Pickersgill: Mr. Speaker, could I ask the hon. member a question? Has the hon. gentleman any reason to believe that at the time that bill was introduced the parties had agreed on anything?

Mr. Lewis: I am sorry, Mr. Speaker, I did not hear the last part of the question.

Mr. Pickersgill: Has the hon. gentleman any grounds for believing that at the time the hon. member for Skeena proposed to introduce his bill the parties had agreed on anything?

Mr. Lewis: There are in the record, particularly in Judge Lippé's report, indications of an exchange about wages and the like which make it perfectly clear that when the counterproposal of the union came it had in the wage package precisely the same, 40 cents for 1966 and the 40 cents for 1967, that the Shipping Federation had proposed.

• (5:20 p.m.)

I am not splitting hairs, Mr. Speaker. I think it is of the utmost importance that they said "on condition that we have a reduction in the work gangs or an increase in productivity at least in the second year of the contract." Therefore I say to both ministers that at that point the government could have done one of two things. It could either have incorporated into legislation those points which had been agreed upon and left to final and binding arbitration the points about which management was concerned, or it could have introduced legislation that would be against the dock workers, and it is the latter alternative that was chosen. The government could have introduced a bill that would have put into operation the wages and other items that had been agreed upon and left the issues that were not agreed upon to the commissioner of inquiry. Instead, it is the issues which the union opposed that will be finally determined by the commissioner of inquiry. That is the simple fact of the situation.

My next serious objection, as I have indicated, is that the bill represents a distortion of the Industrial Relations and Disputes Investigation Act. I say to the minister that from now on the labour movement in Canada will have every right to suspect the appointment of any commissioner of inquiry under the I.R.D.I. act. They will have the right to ask: Is this merely the first step toward another piece of legislation to impose on us compulsory arbitration?

I ask the minister, what is the hurry about this? The minister says we must do it now when this matter is fresh in everybody's mind. Why, Mr. Speaker? Surely, if I may say so, that is the silliest kind of argument. Whose minds should be clear about this and what is the rush about it? Why must we pass this legislation on July 14, 1966? Why can it not be passed six months from now? Why can the minister not wait for the recommendations of the commissioner of inquiry? The very worst that can happen is that the so-called improvements will not appear in 1967 but will appear in 1968. What does that mean? Will the members of the Shipping Federation go bankrupt? I happen to know they make enough profits to be able to carry the extra load of wages without endangering their existence and the existence of their associates. Our experience makes us doubt the good sense of what the minister is doing.

The other day I read a press release concerning the appointment of Dr. Laurent Picard as the commissioner of inquiry. I was interested in it because I wanted to see what experience this man had. Let me make it clear immediately that I know of no reason for attacking Dr. Picard. As far as I remember I have not met him and if I have I do not recall it. For all I know he is a very honourable man. However, the fact is that the press release issued by the Labour Department shows that Dr. Picard's background is solely in management.

Let me read the first two paragraphs of page 2 of the press release:

> Dr. Picard is associate director of Ecole des Hautes Etudes Commerciales, of the University of Montreal, and director of the business administration department. He is a member of the Quebec commission of teaching and advanced education, and president of the research commission on the shoe industry of the province of Quebec. He received his bachelor of applied science in physics from Laval University, and his doctorate in business administration from Harvard University.

Then, Mr. Speaker, please note this last paragraph:

> Dr. Picard has provided research and consultative services for several industries including the following: aluminum, printing, electronics, chemical

products, railways, paper and wood product industries. He also has acted as a consultant to major Canadian and international companies.

It may be that Dr. Picard is fully qualified to make this inquiry and it may well be that he is an honest gentleman who will give it his most objective attention. I do not know. However, I say to the minister that if I were a member of the International Longshoremen's Association and learned of Dr. Picard's background I would be frightened stiff. I have had occasion to deal with these management consultants, these people who make time and motion studies, deal with work loads and all the rest of it. I have seen what they do. Surely the appointment of Dr. Picard by the minister is just as objectionable as if the minister had appointed the director of industrial engineering of the United Steelworkers of America who has had the same kind of experience on the opposite side of the fence. I think it is essential, if this parliament is to act responsibly and, I would add, democratically, that before we take any action to shove recommendations down the workers' throats we know what those recommendations are.

Indeed, I fully support the suggestions of the hon. member for Ontario and I say to the minister and to the government that there is no reason in the world for not waiting until the commissioner has brought down his recommendations. Those recommendations should be studied by the minister and then given to the parties for study in the hope that on their basis they will reach a settlement. If they cannot reach a settlement and the country is again faced with the possibility of another crippling strike, it will be time enough for the government and parliament to take any action they may consider necessary. To ask us to do this now seems to me to be asking us to carry out a commitment to the Shipping Federation which the minister made and for which he alone is responsible and not we, members of parliament, whether on this side of the house or the other.

Mr. Munro: Will the hon. member permit a question? The hon. member has agreed that at the time of the introduction of the bill advanced by his party there were items which were not settled and on which the parties were not in agreement. Does he not agree that by advancing that particular bill he would have denied the workers the right to withhold their labour with respect to those items that were not agreed to by both parties, which would be tantamount to compulsory arbitration?

Mr. Lewis: I do not agree with that, Mr. Speaker, any more than I would if the present bill were not before us. To answer the hon. member for Hamilton East, let me say that what has happened in this case when a commissioner was appointed but before the present bill was introduced was exactly what the bill of the hon. member for Skeena proposed, namely, that the points which had been agreed upon were to be put into legislatin and those which were not agreed upon were to be submitted to a commission of inquiry to investigate the matter within a certain time limit and I believe after 60 days the report was to be given to the parties on the basis of which they would negotiate. That procedure would have preserved the collective bargaining process on those issues which were still in dispute.

That is what I first thought the minister had done when he announced the appointment of a commissioner of inquiry. The parties had agreed upon the other points so legislation on them was not necessary. All of us were happy that those points would not need legislation and that the minister had appointed a commission of inquiry to enable the parties to negotiate the remaining issues in the dispute on the basis of the facts, the evidence and the conclusions submitted by the commissioner. That is what we thought the minister was going to do, but he did not.

Mr. Pickersgill: May I ask the hon. member a question? The hon. member for Skeena sought leave of the house to introduce a bill but he was not given that leave. Personally I am quite sorry he was not. However, I wonder whether the hon. member would object to allowing the hon. member for York South to communicate the terms of the proposed bill to us, in view of the statement made by the hon. member for York South, so that all of us could be made aware of what is in dispute?

• (5:30 p.m.)

Mr. Lewis: Let me say first, Mr. Speaker, that I am not going to do so because I have not the time. The hon. member for Skeena will speak. He can do what he likes about his bill. No doubt he delights in enlightening the Minister of Transport and I have no doubt he will indulge in his delight today. I have answered the questions and interruptions as best I could, but let me say this: No amount of pointing at any bill we sought to introduce

can divert attention from what the government is doing now. If that is their intention, I say to the minister and hon. members opposite that they will fail.

Before my time expires, Mr. Speaker, I should like to move, for the reasons I have indicated, seconded by the hon. member for Nickel Belt (Mr. Fawcett):

That Bill C-215 be not now read a second time, but that the subject matter thereof be referred to the standing committee on labour and employment.

May I summarize my reasons for moving this amendment. The first reason, to which I have not yet alluded, is that I am sorry to have to inform the Minister of Labour that I have had long conversations with Mr. Cutler, whom I have known for many years, and I have had some conversations with Mr. Jodoin, and those gentlemen, with whom I have taken up the precise statements made by the minister in this house, do not recall what transpired in precisely the same way as the minister does. This is nothing new. If anyone has been in negotiations, whether labour or any other negotiations, and has tried to remember what he said and I said and he said out of context, one invariably gets a one-sided picture.

Since the minister has had an opportunity on the floor of this house to place his version of what transpired before the public I feel that the union ought to have an opportunity, as well as the Shipping Federation if it likes, to place before parliament, through the committee on labour and employment, their version of what transpired. This is the first reason for moving this amendment.

The second reason for moving this amendment, Mr. Speaker, is that we as a parliament ought to know not merely that there was an argument over productivity and the size of gangs but also what the Shipping Federation on one side and the union on the other side thought about these issues. We ought to know as a parliament, before we vote on this bill, precisely the nature of the disagreement between the parties. Knowing merely the title of the disagreement is surely not enough. We ought to know what the disagreement is about. Is it about the numbers in a gang? Is it the number who go into the hold or the number who are on deck or the number who work in the shed? What is it about which the parties are in disagreement? Is it the work load or the various kinds of cargo, ordinary cargo, noxious cargo and all the other kinds of cargo about which I know from experience they argue?

We ought to know precisely what they are disagreeing about before we vote on the bill before us. This procedure would give the union and the Shipping Federation an opportunity in the next two or three months to live with the agreement they now have and to see whether the relationship between them cannot be improved in the meantime or whether an increase in productivity can come about merely by an effort of the men, if they should be called upon to put forth more effort. Above all, this procedure will give an opportunity to the commission of inquiry to begin its investigation and to start indicating what the evidence is and what the conclusions may be. These are my reasons for moving the amendment.

[*Translation*]

Hon. Jean Marchand (Minister of Citizenship and Immigration): Mr. Speaker, the question now before the house is of the utmost interest to me, and if we agreed on the facts, I would have made or would have been happy to make both the speech of the hon. member for Ontario (Mr. Starr) and the speech of the hon. member for York South (Mr. Lewis) because I think we share the same convictions. Not only do I share them intellectually, but for 20 years of my life I have fought binding arbitration and I was even responsible, to a large extent, I feel, for the elimination of such binding arbitration in many areas of industry, commerce, and services in the province of Quebec.

Therefore, I do not intend to question anyone's motives; besides that is not my purpose. Let us say only that I do not see the facts exactly as they are described to me.

Like the hon. member for York South and even the hon. member for Ontario, I have some experience in the field of negotiations, and if every negotiation I was involved in were brought before the house under the same conditions as this one, we would get very funny situations, because in one case, for instance, the employer did not want the Rand formula. He was opposed in principle to the Rand formula. But as he wanted to end the strike, he said: If we set up between ourselves an arbitration board and if that arbitration is compulsory, I am ready to submit the matter right away and you can choose the other members if you want. In other words, the employer found a formula to make himself accept something which he would not have accepted spontaneously.

Mr. Speaker, I have seen collective agreements signed because a government has enacted legislation, such as an order by the Minimum Wages Commission or an order under the Labour Collective Agreements Act. Of course, all this was not included in the agreement itself. That was part of the interplay of forces behind the dispute which had been settled by the labour collective agreement.

Now, there has been reference to binding arbitration. It is a fact that the basis of our system is the will of the parties, that is what the parties are willing to accept. That is why the labour collective agreement is said to be basically—and it must remain so—the will of the parties. Otherwise, you are no longer working under a free bargaining system but under a state intervention system.

Mr. Speaker, I think we must maintain the principle. Binding arbitration has existed and still exists. It is not an absolute principle. It is not a principle which cannot be waived; the parties themselves waive it in many circumstances.

In collective agreements, there may be arbitration not only on the interpretation and violation of the collective agreement, but also on conflicts of interests which can occur during the collective agreement. That exists. The parties' will is then respected. Binding arbitration exists by virtue of our provincial and even our federal legislation. Under the federal legislation on industrial relations, collective agreements must contain a clause providing for the settlement of grievances compulsorily or by an arbitration during the collective agreement. Binding arbitration is a principle which is often waived in the field of labour.

I do not agree with the hon. member for Ontario who said that the worse intervention that could be made in the field of collective agreement was an intervention like the one contained in Bill C-215. The worse intervention that can be made—I beg your pardon—

• (5:40 p.m.)

[*English*]

Mr. Lewis: Would the minister—

Mr. Marchand: You repeated that too.

Mr. Lewis: I just wanted to ask the minister a question. This is true bilingualism. The minister speaks French and I understand him, and if I speak English he will understand me. Is he suggesting that the compulsory arbitration of issues under negotiation is the same kind of thing as the compulsory arbitration of differences about the meaning of a contract?

[*Translation*]

Mr. Marchand: The hon. member for York South knows very well that I did not say that, but the opposite. I said: In the federal legislation on labour relations as well as in the provincial legislation there are provisions which make it compulsory to submit to arbitration the grievances resulting from the interpretation and violation of a collective agreement. I said that was one of the exceptions to the general principle of non-binding arbitration. They are conflicts over rights and not interests. However, it also happens that conflicts of interests are submitted to an arbitration board by agreement of the parties. There is no doubt that the parties wish it. All I want to prove in that we are not faced with an unchanging principle. Let us say that it is a principle which is applied differently at various times. It is, if you wish, arbitration which can be voluntarily binding—

Mr. Lewis: It is voluntary arbitration.

Mr. Marchand: Yes, yes, voluntarily binding arbitration.

Mr. Lewis: No, no, voluntary arbitration.

Mr. Marchand: In any case, I just wanted to underline the fact that it was not something new, something that had never happened: binding arbitration does exist.

When the hon. member for Ontario says that the worst intervention that can happen in this field is an intervention such as the one provided for in Bill C-215, I do not agree with him, Mr. Speaker. The worst intervention that can happen is the one which was indirectly suggested by the Leader of the Opposition when, to settle the longshoremen's strike in Montreal, he referred to the settlement of the railway strike, as it had been imposed by the Canadian Parliament. That is the most direct settlement, the one which compels the parties the most because they are not there.

At the present time, the parties are represented before the arbitration board. They can submit their case to the judge. If we decide on the settlement, as it was partially decided by the bill of our friend from Skeena (Mr. Howard), to the extent to which it was decided under the authority of Parliament, it is the worst kind of intervention because it is an intervention which does not leave any resort.

If we have to talk about interventions, or to graduate them, the worst is the direct intervention of Parliament which imposes a settlement on the parties. The second, is to impose binding arbitration, it is less serious. It may be open to question but, to my mind, it leaves some latitude to the parties to discuss their terms before a referee which can be impartial or who must be impartial, at least, under the act.

At any rate, Mr. Speaker, the only question which requires elucidation in the conflict, and I am speaking of the debate in the house, is to what extent the parties agreed to having this measure brought before the house. That is the only point which interests me. With regard to binding arbitration, attempts can be made to frighten me; I can be told that that procedure would destroy the will of the parties; I would agree. That would pose no problem, as far as I am concerned. Only, if it is proved that the parties wanted this bill, things to be done that way, whether they said so officially or not, so that events might occur as they did, then I feel parliament should respect their wishes, provided in so doing we are not asked to do anything illegal or immoral. We will thus be helping society as a whole. That is the only point which needs clearing up.

The rest, to my mind, is of absolutely no importance. If, some day, we have a serious dispute, and the parties ask parliament to legislate with a view to facilitating its solution without creating a dangerous precedent, I really do not see why we should not do it, especially if society as a whole were to benefit thereby. It would not be a matter of principle, as some would have us believe here. As we say, rather poetically, one swallow does not a summer make. One special act to solve one particular problem does not mean that binding arbitration has just been forced upon Canada. That would really be carrying things too far. The problem is already complicated enough.

Now, Mr. Speaker, I will comment on the point that to my mind is fundamental. Now, we will come up against a difficult situation because it is a matter of good faith: to know whom to believe and whom to disbelieve. It is at this level that the debate should take place if we really want to know the truth. On this side of the house we all agree not to impose compulsory arbitration, and I am the first one to be against it. But that is not the question here. We want to know whether the parties, when they reached an agreement, have accepted, directly or indirectly, that this thing should be done as a condition of the settlement. That is the only problem, there is no other.

Then I try objectively to look for some clue in the documents tabled in this house. I have, let us say, two serious clues. As everybody knows, I was not there—like the hon. member for York South and the hon. member for Ontario, I was not involved at all in the negotiations—and I try to rely on the documents I have. There are things which are very clear in my mind—

[*English*]

Mr. McCleave: You should have been there.

Mr. Marchand: I am not Minister of Labour. We already have a very good Minister of Labour. I do not know why we should have two.

Mr. Starr: What about the Minister of Transport (Mr. Pickersgill)? Why was he there?

[*Translation*]

Mr. Marchand: They were special advisers, Mr. Speaker, and one thing seems quite clear to me.

If we want to throw light on the matter before us instead of merely stirring up trouble, I must say that one thing strikes me and it is that the I.L.A. was bent on rejecting the principle of arbitration. It seems logical to me throughout, that is the association, either directly or through its lawyers or the president of the C.L.C., always maintained its stand against the principle of binding arbitration, saying that it did not want binding arbitration and much preferred that the government would not legislate.

That seems quite clear to me. Are the terms they accepted inconsistent with that stand? Not at all, in my opinion. How can I be sure that at a given time, the I.L.A., through the president of the C.L.C. or its lawyers, asked the government to assume its responsibilities? We do not want to assume it. We know it was a condition to have the employers sign the agreement. We know that is part of the general settlement without being included in the agreement.

I feel there is strong evidence to that effect, that is, when the Minister of Labour wrote to Mr. Cutler to tell him what went on, he said, and I quote from the English text:

Labour Conditions

• (5:50 p.m.)

[*English*]

I quote from page 7440 of *Hansard*:

It is a fact that the International Longshoremen's Association made it clear during final stages of the negotiations that it was not requesting the establishment of an industrial inquiry commission or that legislation be introduced in this respect but Mr. Cutler did assure me and my cabinet colleagues in presence of union officials that the International Longshoremen's Association would co-operate with the industrial inquiry commission which we stated would be established and that should legislation be introduced by government providing for the implementation of the conclusions of such commission through legislative enactment your clients the International Longshoremen's Association, though they would not support the legislation, would obey the law and that he as counsel for the association would so advise them.

Mr. Lewis: Would the hon. minister permit a question?

Mr. Marchand: Wait a minute. Let me finish. I gave you every chance and did not intervene at all.

Mr. Muir (Cape Breton North and Victoria): The minister is getting excited. He is on shaky ground.

Mr. Marchand: Of course we are on shaky ground, not with respect to binding arbitration but on these statements that have been made.

[*Translation*]

Then, instead of taking a firm stand, Mr. Cutler simply says: We disagree with the principles of binding arbitration. He does not say: If there is legislation and if you do not assure us there will not be any legislation, we shall not sign the collective agreement. On the contrary, he took a different attitude, by simply saying: We refuse to have anything to do with the legislation itself.

[*English*]

Mr. Douglas: Oh, really?

Mr. Marchand: It is there. It is there.

[*Translation*]

And if you want to know—there is no use laughing, for it is something serious, Mr. Speaker—why it is, and the hon. member for York South (Mr. Lewis), as a lawyer, will know why the word "otherwise" was added in the amending section to the collective agreement—and it is the only example I know of in Canada. Has he tried to explain this particular circumstances? Can the agreement be normally amended otherwise than by the will of the parties?

[Mr. Marchand.]

[*English*]

Mr. Lewis: May I ask the minister a question? Would he also permit me to answer something he raised in the midst of his speech? If he permits it, I shall do so.

Mr. Speaker: Order, please. I regret that I cannot allow the hon. member to answer a question. It is a rhetorical question, I take it, made in the course of the minister's speech.

Mr. Lewis: I thought Your Honour would make that ruling and that is why I asked if the minister would permit a question. The question is very simple, and it relates to the amendment.

The minister has heard his colleagues inform him as to what happened. Did the minister take the trouble to talk to Mr. Cutler to see him, or to find out what is the explanation of how the words "or otherwise" got into that statement? Did he do that, before asking parliament to vote on the kind of thing he is now asking us to vote on? I did. I spoke to him.

[*Translation*]

Mr. Marchand: Mr. Speaker, this paragraph—I read it very badly a while ago and somewhat quickly, I am sorry, but you had it before you and you could follow—indicates that Mr. Cutler did not succeed or did not try, in subsequent letters, to deny the contents of the letter from the Minister of Labour; that Mr. Cutler, who knew that the word "otherwise" was very important as to the understanding of the conflict, and spent his time sending telegrams to clarify its meaning, did not consider enlightening us on that point and it was left to the hon. member for York South to tell us that he had received a telephone call explaining it. I think there is something wrong. For, if it were of such importance, Mr. Cutler himself should have sent a document to explain to us how the word "otherwise" had appeared in a collective agreement.

As for me, I know of only two ways to amend a collective agreement: either through the will of the parties or through legislation, unless the agreement itself involves illegalities which make it automatically void. Apart from that, I know of no other way.

[*English*]

Mr. Lewis: Would the minister, for whom I have the greatest respect, permit me to

ask this question? Do the words say "by agreement of the parties or otherwise" or do the words say "by negotiation or otherwise"?

Mr. Marchand: "By negotiation or otherwise".

Mr. Lewis: May I ask the minister whether it is not entirely possible that the union received an explanation that what the words "or otherwise" referred to were the recommendations of the commissioner of inquiry which the parties would be considering after they came down?

[*Translation*]

Mr. Marchand: Mr. Speaker, this point was raised in a letter from the Minister of Labour to Mr. Cutler. It was raised and it is an essential point, it is even the basic point. By some acrobatics, an attempt may be made to have us believe that we are discussing compulsory arbitration, which is not the case. We are trying to find out if there was an acceptance by the parties, in circumstances approximating those I mentioned a while ago. That is the problem.

And a basic argument is brought forward by the Minister of Labour. It was even explained very clearly. However, they did not even take the trouble to reply to the Minister of Labour on that point.

[*English*]

Mr. Lewis: I am really not trying to be an obstructionist. Would the minister be good enough to read the second last paragraph in the right hand colum on page 7441 of *Hansard*? I refer to the appendix containing the exchange of correspondence? It reads as follows:

> The I.L.A. locals reiterate their position that any inquiry the government chooses to institute despite I.L.A. opposition should be the basis for voluntary negotiations for the next collective agreement since to do otherwise would be creating the dangerous precedent of disrupting the relationship between management and labour during the life of a collective agreement.

I ask the minister, is that not answer enough to the minister's and the Prime Minister's statements as to the I.L.A. position?

• (6:00 p.m.)

[*Translation*]

Mr. Marchand: Mr. Speaker, first of all, I do not know who signs this letter. Anyway, it does not explain the word "otherwise". The International Longshoremen's Association has been logical throughout on the principle of compulsory arbitration. It has stuck to its views till the end. I do not deny this. I think the Canadian Labour Congress kept its opinions, though this could have been made a little clearer in the telegram sent by the president of the Canadian Labour Congress. This telegram is a simple declaration of principle which is against compulsory arbitration. It does not necessarily mean that he was against arbitration as proposed under the circumstances which we know. Anyhow, I do not in any way blame the International Longshoremen's Association. I think it negotiated well, obtained a very good work contract, and was justified in doing what it did, if it did it. Therefore I do not blame it. On the contrary, I think the association acted and negotiated well, and that I could very easily have behaved in the same way under the same circumstances, and been very honest toward the workers and the principles in which I believe.

There is no contradiction in all this. The only problem which should be clarified and has not been clarified by the hon. member for Ontario (Mr. Starr) or the hon. member for York South (Mr. Lewis), is this: whether the Shipping Federation has agreed to sign a collective agreement knowing that the government would pass this bill, the representatives of the longshoremen being fully aware of the facts and, even if they were at first opposed to compulsory arbitration, letting things happen provided Parliament alone assumed the responsibility for the measure. The Canadian Labour Congress would apparently have adopted the same attitude.

This is how I see the situation. I may be wrong, and if you want me to change my mind, I am ready to do so but you show me my view is wrong.

The question here is not to talk about compulsory arbitration. I am as convinced as you are on this point. Rather, we should find out whether, at the bottom of all this, there was a tacit, official, direct or indirect agreement leading to the present events. If there was no agreement, abstention or lack of opposition of this sort when there should have been, I am sorry, but we must respect the situation as being willed by the parties. This is how I see it, and I shall vote for this bill because it has not been established that the facts which I have just mentioned are true.

Debating the principle of compulsory arbitration during the debate on this bill, Mr.

Speaker, is tantamount to displacing the problem.

I am very sorry, but I shall have to be convinced; parties can agree on many things between themselves. I have done it myself 15, 20 times. All labour representatives have done it; the hon. member for York South has probably done it hundreds of times in small committees.

Mr. Lewis: It must be done once more.

Mr. Marchand: Yes, that is it; and it may have to be done again often. Political parties and governments are not the only ones who have the right to find formulas which, even if they do not seem regular, lead to the settlement of certain disputes and to peace between men or institutions.

Trade unions also do it and rightly so, in my opinion.

In closing, Mr. Speaker, this question does not involve principles, in my opinion. There is no question of blaming the International Longshoremen's Association or the Canadian Labour Congress for the way they behaved. In my opinion, they have signed a very fine collective agreement. Active trade-unionists behaved well, they negotiated well. I do not blame them at all, there is no question of principle in my opinion. It is a question of finding out whether, through a misunderstanding or otherwise perhaps, it is a fact that this situation I have tried to set out—and from afar, since I was not there—is really the situation that existed at the time when an agreement was reached. That is the problem to be looked into.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Sherbrooke (Mr. Allard),

[*Translation*]

Federal-provincial relations.

[*English*]

The hon. member for Vancouver-Burrard (Mr. Basford), Northern Affairs—Alaska highway—inquiry as to paving; the hon. member for Essex West (Mr. Gray), Old Age Security —announcement of guaranteed minimum monthly income.

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

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT

Mr. Paul Langlois (Chicoutimi): Mr. Speaker, may I have the unanimous consent of the house to revert to motions?

Mr. Churchill: For what purpose?

Mr. Langlois (Chicoutimi): To present the report of a standing committee of the house.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Langlois (Chicoutimi) presented the fifth report of the standing committee on industry, research and energy development in both official languages of this country.

[*English*]

[*Note: Text of the foregoing report appears in today's Votes and Proceedings.*]

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA

The house in committee on Bill No. S-4, to incorporate Aetna Casualty Company of Canada—Mr. Cameron (High Park)—Mr. Rinfret in the chair.

On clause 1—*Incorporation.*

Mr. Peters: Mr. Chairman, at this late date I am surprised that the house did not decide to continue with the very interesting debate that was taking place. However, this private bill is an interesting one and I am pleased with the decision that was made to allow it to go to the standing committee on finance, trade and economic affairs.

The reason I am pleased that it went to committee is that members of the government and particularly the sponsors of such bills have in the past told us that if we would let such bills go to a standing committee they would be able there to answer the questions asked in the house. I take note of the order of the house which was made on Thursday, May 5, to send five bills to committee including this one to incorporate the Aetna Casualty

Company of Canada, and also of the proceedings in committee on Tuesday, June 14, when 15 members attended and Mr. Humphrys, the superintendent of insurance was present.

Mr. Macaluso: Were you there?

Mr. Peters: I do not see my name on the list of those present. It may be that members of the N.D.P. were elsewhere at that time, but it seems that the coalition that appears to be developing with respect to the passage of insurance company bills was in effect. It may be a matter of, you scratch my back and I will scratch yours but the N.D.P., not having an itchy back, does not need to have it scratched.

Mr. Cameron (High Park): The hon. member has said that there were 15 members present at the committee meeting. Were there any members of the N.D.P. present?

Mr. Peters: I have looked at the list, following the question asked by the hon. member for Hamilton West, and I see there were none present. I think the fact that the committee came to the conclusion it did indicates that this was so.

Mr. Macaluso: That is nonsense.

Mr. Cameron (High Park): Does it not indicate that the N.D.P. were not too interested in being there when they should have been?

Mr. Peters: I will show you in the next 15 or 20 minutes how interested we are. This is where our interest should be exercised and this is where it is going to be exercised.

Mr. Macaluso: Mr. Chairman, I will help the hon. member waste time by asking him a question. If the hon. member is so interested in these insurance bills he has a right, under our standing orders, to attend these committee meetings. Why did he not attend this one?

Mr. Peters: Very likely because I was at another committee meeting, and I think my record of attendance at at least three of the major committees is fairly good. It may be as good as the record of the hon. member asking the question.

Mr. Macaluso: That I challenge.

Mr. Peters: You can challenge it if you wish but it is of little importance. I find it difficult to attend more than two committees a day. Some of them meet three times a day, and I make no apology for not going. But Mr. Chairman, to get back to the subject under discussion it is very difficult to decide, from reading the record, why these four or five bills were mixed up. They were referred together and to some extent, were handled together.

• (6:10 p.m.)

It is indicated that the hon. member for High Park (Mr. Cameron) was the sponsor of Bill S-4 in conjunction with G. D. Finlayson, Q.C., and John H. C. Clarry, Q.C., parliamentary agents. This is a case of you scratch my back and I will scratch yours because they are, I assume, all on the same side of the fence.

Mr. Cameron (High Park): Nobody is scratching my back and I am not scratching anyone else's back.

Mr. Peters: Actually this bill might have been passed were it not for what I consider to be political back-scratching, but we will let that go for the moment.

Mr. Cameron (High Park): I am not going to take that statement lying down.

Mr. Peters: You are going to take it sitting down. I have the floor and I do not particularly care whether the hon. member lies down or sits down or what.

The Deputy Chairman: Order. I ask the hon. member to resume his seat. I recognize the hon. member for High Park on a point of order.

Mr. Cameron (High Park): The hon. member is imputing motives to me. He is referring to a bill respecting the Canada Health and Accident Insurance Corporation. It was up for second reading. Because my hon. friend wanted the bill immediately following it to go down to the bottom of the list and because an hon. member on this side of the house got up and spoke, my bill did go to the bottom of the list, and now he speaks of political back-scratching. I might say that he was attempting to use me to accomplish his purpose.

Mr. Peters: Mr. Chairman, I do not expect the hon. member to really understand much of the problem. The matter to which I was referring was in relation to Bill S-10. If he has other political irons in the fire, that is entirely his responsibility.

Mr. Pilon: Carry on.

Mr. Peters: Pardon?

Mr. Pilon: Carry on.

Mr. Peters: Mr. Chairman, there are many members who really believe these bills should pass whether they are right or wrong and they do not care so long as they are handled expeditiously.

Mr. Macaluso: On a point of order, I think hon. members are completely fed up with the implication of motives by the hon. member for Timiskaming against all of us. If the hon. member would pay attention to his own responsibilities in this house, as other members do, we would proceed better. When he and another member of that party impute motives to members of this house it is an affront to members in all parties of the house and to those in his own party who have some sense of responsibility.

Mr. Howard: You are getting nasty now.

The Deputy Chairman: I appeal to hon. members to refer to Bill S-4, an act to incorporate Aetna Casualty Company of Canada and leave aside references to personal motives and other matters.

Mr. Peters: Mr. Chairman, I have tried to get around to that. It is a very short proposition I am considering. I will try to be non-inflammatory if possible. On the preamble the hon. member for Rosedale stated he had an interest in this company and therefore could not vote on the bill. The sponsor of the bill, Mr. Finlayson, introduced the parliamentary agents. Mr. Finlayson explained the purpose of the bill and Mr. Humphrys also made a brief statement. Mr. Finlayson, Mr. Humphrys and Mr. Rhine were questioned and the preamble carried. This was the procedure on the bill. The details, Mr. Chairman, are to be found on page 555 of the evidence.

Before I read what took place in this matter I should like to refer to the bill itself. There was some question in respect of the division of the capital stock into $50 shares and why this should be. There was a further question with regard to the fact that out of the $5 million in the original capital stock only $500,000 had to be subscribed before the company could hold a general meeting and go into operation. In addition, there were questions asked in respect of why certain types of insurance were being included in the list of insurance the company was going to undertake. There was an indication that some of these types of insurance were not handled by the company and yet they had made application for them.

In the questioning I am sure an explanation should have been given which at least would have answered some of these legitimate questions. Another proposition that was raised and which has been raised on a number of occasions was the matter of ascertaining from the Superintendent of Insurance his recommendation with regard to whether or not there is some reason this particular company should be incorporated. If insurance is being offered for fire protection and no other companies are providing coverage, then obviously there would be merit in the establishment of an insurance company that would do this. But I believe that literally thousands and thousands of companies issue fire insurance. I think it should be ascertained whether or not it is proper to expand the number of such companies. I can see one obvious reason companies are formed and why they should be issuing certain types of insurance, but in my opinion one of the roles of the Superintendent of Insurance is to indicate whether or not there is a need, room or place for another company. This should be true when Aetna Casualty Company of Canada makes this application.

In presenting their evidence the witnesses said that the company had been carrying on business in Canada for many years. One witness said:

> —and we are really submitting more to the jurisdiction rather than less in asking the committee to approve the incorporation of a Canadian company. Our application has been fairly scrutinized by the Superintendent of Insurance and this is not a case of somebody coming in new; this is a company that has a background of experience and has been under the jurisdiction of the superintendent for a good number of years and we are content that we have his support in this.

Then the chairman asked Mr. Humphrys whether he had any comments. Mr. Humphrys, I presume taking into consideration some of the arguments which were made, said:

> • (6:20 p.m.)
>
> I will make only a brief comment, Mr. Chairman and gentlemen. As Mr. Finlayson has indicated, we have discussed this project with the company when it was under consideration and so far as the department is concerned, we are satisfied that we have no objection to it.
>
> The bill is in standard form and has no special features. It will require a minimum of capital $500,000 paid and $500,000 surplus before the company can start business. It is my understanding the company intends to capitalize it somewhat higher. The company cannot start business until it has received its certificate of registry under the Canadian and British Insurance Companies Act and we will, therefore, ascertain that the capital has been paid in before the company starts business.

We know the parent company well since it has been in Canada a long time and it is one of the very largest of casualty insurance companies in the United States.

I have no further comment, Mr. Chairman.

The Chairman: In short, then Mr. Humphrys, you would say that the applicants have met the requirements of your department in so far as they can be met up to this point?

Mr. Humphrys: Yes, Mr. Chairman.

The Chairman: Do we have any questions?

Mr. Macaluso: Are you going to read the entire minutes?

Mr. Peters: I beg your pardon.

Mr. Macaluso: If you intend to read all the minutes why don't you just table them?

Mr. Peters: The hon. member keeps moving around but the sounds are somewhat the same. Our main objection to the passage of this bill is that the questions we have asked in relation to this company has not been answered. I am sure that hon. members opposite would say that if this company received a charter it would be able to make more money. I have never suggested, and I do not think it would be suggested by any member of my party, that we disagree with what Mr. Humphrys told the committee. Aetna is a good and responsible company.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Howard: Mr. Chairman, one of the basic things we must consider, not only in respect of this bill but in respect of all insurance companies seeking incorporation in bills now before us, is the degree to which the companies are owned or effectively controlled in Canada. In other words, are these companies Canadian or subsidiaries of foreign companies? I understand that in the case of the Aetna Casualty Company it is a wholly owned subsidiary of a United States company, the name of which escapes me for the moment. If I am incorrect in this regard I am sure the sponsor of the bill will correct me. I have just been informed that the parent of this company has its head office in Hartford, Connecticut, so I am right in my thinking.

Since 1962, when the Liberal party decided to develop policies in respect of foreign control of service industries in Canada, we have come to accept the idea that the Liberals believe in Canadian ownership. The former minister of finance spoke at that time as he does now in favour of the concept of Canadian control rather than control resting in the hands of foreigners who are not answerable to Canadian laws for the activities of their subsidiary companies. That hon. member still holds a great deal of influence in the ranks of the Liberal party. However, what has happened in respect of the Bank Act may prove me wrong in that connection. I usually refer to the former minister of finance, but I understand that hon. member who represents Davenport still receives a considerable degree of support for his enunciated ideas. Other Liberals support the idea of Canadian ownership of industries in Canada.

At some subsequent stage of the proceedings in respect of the bill now before us I intend to move certain appropriate amendments in order to ensure that in respect of this company there is the desired Canadian ownership, authority and control. One of the amendments I intend to move, and it could be moved in regard to the clause we are now considering, will be such as to require that all the directors of applicant companies such as this be Canadian citizens ordinarily resident in Canada.

At the present time I understand that under the Canadian and British Insurance Companies Act the majority of directors are required to be Canadian citizens. In this regard I should like to quote from the minutes and proceedings of June 14 of the committee on finance, trade and economic affairs. Mr. Humphrys, who is the Superintendent of the Department of Insurance, gave evidence on this question in reply to a question posed by the chairman. In reference to the application of the law in respect of Aetna he said at page 560:

As matters stand under the law, a United States company or a company from any country outside Canada, if it is in a strong financial condition can enter Canada and become registered under the Foreign Insurance Companies Act and transact insurance in Canada. Most countries offer reciprocal facilities to Canadian companies; they may enter foreign countries and transact business there. Where a company operates in Canada through a branch office such as the Aetna Casualty and Surety Company does now, the main direction of the company is, of course, at the home office of the company where the directors are situated and where the management is.

In other words, as Mr. Humphrys put it, the main direction of this company is in Hartford, Connecticut, and not at any place in Canada. He then stated:

The same thing applies when a Canadian company does business in the United States through a branch.

There is no argument about that fact, because it is a fact of economic life. Mr. Humphrys then stated:

But where foreign interests who want to do business in Canada incorporate a Canadian company, this requires a substantially larger Canadian content and a more extensive submission to Canadian laws and Canadian decisions than is the case of a branch.

I think there is some conflict in that attitude because, as I read Mr. Humphrys comments, when a company operates through a branch office the requirements of the law are not quite as stringent as they are if the company is incorporated in Canada under our procedures. It seems to me there should be an equitable application of the law, whatever it may be, to all companies whether they operate in Canada as incorporated companies or as subsidiaries. Then Mr. Humphrys made this point about directors of a Canadian company being Canadians. He said:

• (6:30 p.m.)

The requirement that a majority of the directors of a Canadian company be at all times Canadian citizens resident in Canada has been in our insurance laws for some years.

He is referring to the Canadian and British Insurance Companies Act. Then he said:

For this company the law will require that a majority of the directors of this Canadian company at all times be Canadian citizens resident in Canada. This will represent a substantial step forward in the degree of Canadian control and Canadian decisions on the policies of this company.

In Mr. Humphrys' view this is a beneficial thing so far as Canada is concerned because, as he pointed out, when a company incorporates in this country the requirements are tougher than they are if they are just operating a branch office. Mr. Humphrys went on to say:

If a Canadian company were doing business in the United States and wished to incorporate a subsidiary there are no restrictions, of which I am aware, that would require all the directors of that subsidiary to be United States citizens. It would be customary and usual that the parent company would have some representation on the board of directors.

He was making the point that this is a step in the right direction and is a progressive move because it brings a larger degree of Canadian decision-making into the operation of the company. It seems logical to me, if the majority of the directors are required to be Canadian, that this in itself would bring about a larger degree of concern on the part of the company for Canadian interests. If the requirement were that all the directors be Canadian, we would be one more step ahead of the present situation.

[Mr. Howard.]

Parliament has enacted such legislation before. A few years ago we made the requirement in respect of a pipe line company, the name of which I have forgotten, that all the directors be at all times Canadian citizens ordinarily resident in this country. It seems to me this is what we should be doing now, namely, thinking in terms of giving the fullest possible degree of Canadian control to these companies. We are on the verge of perhaps developing a different concept of the structure, management and operation of insurance companies. Perhaps between now and the time these matters are considered again we may be able to develop some well laid plans and ideas about the amendments that would be necessary to put into effect certain basic ideas that we have. One of these is that all the directors of the company shall at all times be Canadian citizens ordinarily resident in Canada.

I do not intend to move an amendment at this moment, Mr. Chairman. Such an amendment could well fit into clause 1 because certain people are named therein, and it could also fit into clause 2. Perhaps it would more appropriately be made under clause 2. Mr. Humphrys referred to the requirement that the majority of the directors of a Canadian company be at all times Canadian citizens resident in this country and said it has been in our insurance laws for some years. I do not know how long this requirement has been in our insurance laws but it seems to me that if it has been there for some years we must consider the situation as it existed at the time the change was made and take into account the fact that there is today a far greater desire on the part of the Canadian people to have a greater degree of control over their industries than was the case some years ago.

The reason for Canadian people thinking this way is partly due to the farsighted opinions expressed by the former minister of finance. For this he deserves a great deal of credit. The former minister of finance expressed such opinions before his Prime Minister caught up with him, found that he was advancing ideas dangerous to the right-wing swing within the Liberal party and consequently eased him out of the cabinet. But the former minister of finance is directly responsible for there having developed in Canada a greater desire for an appreciation of the necessity of having Canadian control of our industry. In fact, one of his campaign slogans was "Buy Canada Back". These views of the former minister were widely circulated

in *Weekend* magazine or *Star Weekly* magazine through an extensive and well thought-out article which he wrote. Other writings of the former minister of finance have contributed to our people having this desire for greater Canadianism.

I believe we should be taking steps to reflect this desire in the laws we enact and this company should not be excluded. In saying this I am liable to be accused of picking and choosing and it may be said: Why should Aetna Casualty Company of Canada be treated differently from any other insurance company? This is a valid argument. Indeed, why should it be treated differently? It may be said that every other insurance company in Canada can go about its business with only the majority of its directors having to be Canadian, and why should we suddenly step into the picture and say that the situation with regard to this company is different and all its directors must be Canadian citizens?

It may also be argued: Why should we insist upon this requirement in respect of the Aetna company and not apply it to all the other insurance companies in respect of which bills appear on our order paper? I admit the validity of this argument but I believe we have to start somewhere. Perhaps we could start with at least a discussion of this very vital principle and we might then be able to persuade the government to introduce legislation to amend the Canadian and British Insurance Companies Act and make this provision applicable to all insurance companies in Canada.

All I desire to do in this instance, Mr. Chairman, is make a start and follow along from Mr. Humphry's contention that this represents a forward step in the development of Canadian based decision-making. The hon. member for Sainte-Marie asked Mr. Humphrys questions in this respect, as reported at page 560 of the minutes of the proceedings of the committee:

When we talk, Mr. Humphrys, of management or directors, are we talking about any special responsibility in the conduct of the policy of the company itself or do these directors have no power at all to decide the policy of the company?

Mr. Humphrys replied as follows:

The board of directors is the highest management group in the company—

That is understandable.

—so the policy of the company would be established by the board of directors.

The hon. member for Sainte-Marie then said:

I am asking this question particularly because we do not know that policies may be drafted in the United States by the parent company and applied to the subsidiary here in Canada without any change at all in the application of the policy. This is where I am concerned.

And well might he be concerned. Mr. Humphrys answered in this way:

This is possible, sir, but I believe that formation of a separate Canadian company with its management and its business directed primarily toward the Canadian market, it is more likely to result in management policies and general business practices that are designed for the Canadian market to a greater extent than would be the case if the company continued to operate a branch office here. I would say that so far as our department is concerned, we do not attempt to influence insurers either way, either through a branch office or through a subsidiary company but I do believe that the formation of a subsidiary company creates a stronger element of Canadian control and Canadian design in the insurance product than is the case where the operation is through a branch.

• (6:40 p.m.)

I submit that this is an admission of failure, not on the part of Mr. Humphrys because he is only putting policy into effect but on the part of the government, to recognize the difference between the manner in which the requirements of the law are observed in so far as branch offices are concerned and those in regard to incorporated companies. It would seem to me, and I made this point earlier, that what the government should be doing is to make the law applicable universally so that it would apply to branch offices in the same manner as it does to Canadian companies. I do not know how this can be done but it will certainly require some alteration of the legislation because presumably there is no law requiring branch offices to have any degree of Canadian content or control; otherwise this requirement would be in effect. I simply leave it to those who have the responsibility of drafting the government's legislation to draw it up in such a manner that the law will apply equally to the two types of insurance operations.

Then Mr. Irvine followed this by saying—I do not know who Mr. Irvine is but presumably he is in some way connected with the company; maybe he is a member but I have never run across his name before:

The statement given under the preamble was a little technical which made it a little difficult for a person such as myself to understand it completely. This, as I understand it, is to be a Canadian company, a subsidiary of Aetna of Hartford operating in Canada and handling casualty only. Is this right?

To which Mr. Finlayson replied that this was correct, that it would operate in every field but life insurance. I might add that if we had 27 letters in the alphabet we would have to include life insurance as one because under clause 6 we have everything from A to Z.

Mr. Cameron (High Park): The hon. member is making that statement out of whole cloth. It is totally unfounded and an inference that should not be made. It is no credit to the hon. member to have made it.

Mr. Howard: Even listening to my friend from High Park is no credit to me. So Aetna Insurance Company does not wish to get into the life insurance field.

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Cameron (Nanaimo-Cowichan-The Islands): In entering this debate, Mr. Chairman, first of all I want to lay some stress on the whole question of the insurance business. I have been somewhat concerned for quite some time about the proliferation of insurance companies of various types, and I think in the case of an insurance company of this nature it might be as well if we were first of all to define quite clearly just what sort of an operation we are dealing with because I have noticed that any operation which involves a financial institution invariably assumes in our society some air of respectability, almost of untouchability, and perhaps obscures the reality behind the facade. Obviously insurance companies of this sort are engaged in what could be termed a gambling business. We all gamble with our fire insurance companies that we will not have a fire and they gamble with us on that basis. I am not suggesting it is an illegal or immoral business but I am suggesting it is not necessarily an operation that is highly respectable because it is a financial one. It is a gambling proposition, and this company is asking us to allow them to engage in gambling in 26 various fields of possible accident, danger or loss.

My feeling on this point, Mr. Chairman, is that we have had an experience in one part of this country of a very satisfactory solution to the provision of gambling opportunities, if you like, in a certain type of accident which may occur to citizens, and that is in the field of auto insurance. I suppose everyone knows that one province in Canada has established a gambling operation, if you like, against car accidents which is conducted by the provincial government. The result is that the fortunate inhabitants of that province are able to protect themselves from automobile accidents at a fraction of the cost which those of us who live in other provinces must pay.

On that score I would suggest it is about time that we considered this whole proposition of protection from accidents on the same basis as the Saskatchewan car insurance operation which is still being continued under a Liberal government although it was established under a C.C.F. government. I think we should look very carefully at these insurance bills, even the ones that are not concerned with life insurance which provide even more matters to be examined than the casualty insurance companies. I will not deal with those matters because life insurance is not included here.

One of the points I want to stress, as my colleague from Skeena did, and perhaps pursue a little further is the question of a company which is entirely foreign owned moving into the gambling industry to extract from Canadian citizens a very handsome volume of premiums, I presume, or they would not be asking to be allowed to operate here.

Quite seriously, Mr. Chairman, this is a matter which should be causing great concern to Canadians on account of the effects of foreign ownership particularly of financial institutions. It is not only the former minister of finance who has expressed his concern about foreign ownership of financial institutions. His policy is being continued in one very important area by the present Minister of Finance. I suggest that if we are going to permit this type of operation, if we are going to permit foreign insurance companies to operate in Canada, we are going to add to one of the most serious problems of every Canadian government, and that is the question of the balance of payments. Admittedly the profits of this company which will be remitted to the U.S. will not in themselves have any great effect on the balance of payments, but I suggest to you, sir, that the gradual remission of interest and dividends by U.S. owned insurance companies plays a very important part in creating our balance of payments problem. For that reason I think it is of dubious value that we should allow still another such company to enter the field to draw from the available pool of Canadian earnings that go into this sort of protection and at the same time create more problems

for our government which must eventually be dealt with.

I also think, Mr. Chairman, it is time we began to look at the insurance business from the point of view of the traditional free enterprise competitive theory. We are often told, of course, that competition is the life of the economy, that competition is what provides us with cheap services and goods. It may be true in some instances but I suggest to you, Mr. Chairman, that it is not and cannot be true in the field of insurance of any sort.

I do not have before me the proceedings of the committee which unfortunately I was not able to attend, having been away at the time, so I am not sure what is the exact volume of business which this company conducts. I am not sure whether any figures were given to the committee with regard to the operational costs of this company. However, if they are similar to the costs of a company sponsored under another bill by the same hon. member and considered by the committee the other day, then I suggest to you, sir, that we have ample evidence that the proliferation of insurance companies of any type does not lead to cheaper and better service and lower premiums but must inevitably lead to the contrary. As I recall, in this other instance there were some 400 employees who were employed in servicing 70,000 policies. I imagine that is a fairly average ratio of staff and organization to the volume of business.

• (6:50 p.m.)

If we are concerned, Mr. Chairman, with ensuring that the Canadian people are able to acquire protection against the various hazards of life in a modern society as listed here such as fires, aircraft accidents, automobile accidents, boiler insurance, credit insurance, earthquake insurance, explosion insurance and the whole list right down to the end, windstorm insurance, then I think we have to examine the question of whether or not we can provide them with protection from these vicissitudes by means of competition or whether we should not seriously consider now that this particular type of service to the people of Canada should be carried on by a public authority at much less cost. Obviously it would be at much less cost.

It is impossible, I think, to make out any case whatever for the suggestion that competition is going to have the traditional effect in this particular field. Competition is bound inevitably to increase costs over the whole insurance business. Competition is bound to increase premiums and increase the cost of insurance for those who seek protection.

I think it is the responsibility of this parliament to decide that this whole matter should be examined with very great care. I brought the matter up in the committee the other day, on another life insurance company bill sponsored by the same hon. member. I suggested then that the time had come for us to give serious consideration to the whole insurance business. The other aspect of the business that is important is that this bill would provide a means by which savings are accumulated. This is a sort of gambling operation. It is a gambling operation in which those who are running the house are able to ensure that they are never going to lose to any great extent.

Once in a while some major catastrophe occurs and one insurance company goes under in the storm, but that is a very rare occurrence. I would imagine, Mr. Chairman, that the very fact we have this endless string of new incorporations for every kind of insurance company indicates quite clearly that this is a very profitable business, that there is a great deal of profit to be gained out of protecting the Canadian people—from the innumerable accidents that may overtake them in our modern society. This being the case, sir, I think it is the responsibility of parliament to find out just how expensive this insurance is for the Canadian people and how these expenses may be reduced.

I want to return for a moment, if I may, to the question of foreign ownership of these institutions. I point out that only in the last two days we have had an example of one of the dangers of foreign ownership, about which no satisfactory answer was received. I may say, from spokesmen on behalf of the government.

I want to stress the fact that two ministers of finance have suggested that foreign ownership of financial institutions in Canada is not conducive to the Canadian welfare. Here in this bill we are providing the opportunity for a completely foreign owned corporation to gamble with the Canadian people, to extract from the Canadian people premiums to cover possible losses. The company may transmit its profits out of this country to the detriment of our balance of payments problem. I have often wondered, Mr. Chairman, when I am told that we must have great infusions of foreign capital in order to keep our economy going, if perhaps we stopped some of these

leaks—they are getting to be very large leaks now—which may run into the hundreds of millions of dollars per year we might find ourselves in the happy position of not having to rely, and it is a dangerous reliance, on these infusions of foreign capital. There may be a case that can be made out for foreign investment in productive enterprises. There can be, I submit, no case whatever made out for giving a licence to people who are not Canadians, people who are foreign to this country, to gamble with the Canadian people and extract from the Canadian people part of their income in order to protect those people from accidents.

This is something that should be undertaken by Canadians, only by Canadians, and preferably by Canadians jointly and collectively through their publicly elected governmental bodies. Otherwise, it means we are deciding against the interests of the mass of the Canadian people in favour of not merely our own privileged groups but the privileged groups of another country. I suggest to you, Mr. Chairman, that the time has come to examine what the costs are in these companies. I have a note here held over from an earlier debate on this bill and it states that the costs are 10 per cent to 30 per cent. I do not know if the hon. member who is sponsoring this bill has figures on this point, but I am not really concerned whether he has. In an operation of this size I am concerned only with the volume of profits that must be transmitted across the border year by year as this company continues to operate with a licence from the parliament of Canada.

Again I suggest to you, sir, it is the duty of those of us who are here representing the Canadian people, not representing special interests either native or foreign, to make sure that when the Canadian people want to protect themselves from accidents of all sorts they should have coverage at the cheapest possible rates. At the same time we should be able to ensure that there is no unnecessary drain on the resources of this country which such a company constitutes. This, I believe, is a very serious matter. I should like to see all these insurance bills stood over until there is a proper investigation of the whole insurance business in Canada because I have been convinced—

The Chairman: Order. I apologize for interrupting the hon. member but I must advise him the hour for the consideration of private members' business has expired.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

LABOUR CONDITIONS

PROVISION FOR IMPLEMENTATION OF FINDINGS OF INDUSTRIAL COMMISSIONER

The house resumed consideration of the motion of Mr. Nicholson for the second reading of Bill No. C-215, respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec, and the amendment thereto of Mr. Lewis.

Mr. Robert McCleave (Halifax): Mr. Speaker, Bill No. C-215 is unjust and mischievous and to permit its passage would bring great discredit upon parliament. The bill will bring discredit upon individuals in this government who never again would be accepted as honest brokers in labour disputes between management and labour. As we know, Mr. Speaker, a great deal of labour unrest still faces this country and government will be forced to take action to deal with it.

• (7:00 p.m.)

Second, it will bring discredit upon the supporters of the government, because by supporting this bill they betray the origins of liberalism, or they forfeit the trust that they should have in their leaders. For their leaders said nearly the exact converse of the philosophy espoused by the bill, almost until the very last moment before it was introduced.

Third, to pass Bill No. C-215 would bring discredit upon the whole institution of parliament. For as the hon. member for Ontario (Mr. Starr) pointed out so ably, we are being asked to give a blank endorsement to the placement in the labour contract which now exists of terms and conditions which would be drawn up by a commissioner, without there being any opportunity for either of the two sides involved to alter so much as one small fraction of any of those terms and conditions. People would ask: Why on earth do parliamentarians behave as donkeys, passing such legislation?

Years ago, Mr. Speaker, we had a member of this chamber who, after various unsuccessful voyagings in Saskatchewan, has now found his way to the other place. Once in comment on some notion expressed by a member of the Liberal opposition of the day he said: "This is the most unheard of thing I have ever heard of". I did not agree with him at that time, but when Bill No. C-215 wanders into his hands tonight in the other place—presuming it passes here—then he can repeat that sentence and I will agree with him fully.

It is possible, Mr. Speaker, under the powers that will be conferred upon the commissioner, whose report will be final and will become part of the contract, to stretch things to the absurd length, for example, of requiring that unloading on the longshores of Montreal, Trois-Rivières and Quebec city be carried out by elephants or camels. According to my reading of one clause it might be possible that he would require the longshoremen to do their work in bikinis in the middle of winter.

I do not suggest that the commissioner would abuse the powers that are placed in his hands with such absurd recommendations, Mr. Speaker, but I do suggest this: The power that we would be giving to the commissioner by passage of this bill would surely inhibit any person. I do not think that any one of us would ever like to feel that a commissioner had the last word on anything. There must exist the right for larger bodies or for other people to consider his actions.

I say that this places the commissioner, who perforce by this bill becomes a compulsory arbitrator, in an impossible position. It will also do this to him: No matter what his recommendations, people will be aggrieved by them. Some of those people will be unkind enough to suggest that this was part of the deal beforehand, that it was very well known that the commissioner was going to bring in such recommendations and that this was part of some under-the-table scheme. I am sure that this situation does not exist either, but none the less Mr. Commissioner Picard is put in that position. Therefore I say that Bill No. C-215 will promote mischief. It will lower the esteem of parliament and it will go a long way toward destroying what is left of the ability of this particular government to govern effectively in a time of labour unrest.

The hon. member for Ontario has stated clearly and unequivocally that we cannot condone or support compulsory arbitration; and I repeat the statement that he made then, so that our stand is quite clear. I think I can also say on behalf of my party that we will support the position set forth in the amendment moved by the New Democratic Party; and at the conclusion of my speech I will suggest three, four or five alternatives by which the Minister of Labour (Mr. Nicholson) could act and take parliament from the unholy position in which it is now placed.

We have had the advantage, Mr. Speaker, of the intervention by the Minister of Citizenship and Immigration (Mr. Marchand), who late in the day enters upon the scene. He said—and very fairly too—that he would not want to replace the Minister of Labour in the negotiations, and I am quick to add that I would not want to see him replace the Minister of Labour in the negotiations either. But he could have sat in with the Minister of Labour, who had the advantage—whatever it was—of the help of the Minister of Transport (Mr. Pickersgill) and various others. Why not have gone to an expert who has made labour mediation his whole life's work, instead of bringing in those who have had very little experience with the subject?

When the minister defended, as he tried to do, compulsory arbitration, he confused methods of arbitration agreed to by parties well before any dispute arose. He did that at one time; at another time he confused the issue that is now before us with compulsory arbitration as set forth in the general laws of this country. As he well knows, and as we in this house all know, the compulsory arbitration which is being brought into this particular dispute is something smuggled in at the last minute, after everybody's attention had been diverted with many glowing statements about the virtues of collective bargaining. I regret that the Minister of Citizenship and Immigration, for whom I have a great deal of respect, has lost the candour for which he is famous, and on this particular occasion has adopted the dialectic used by others in the cabinet.

Before I review the record—and I will call this a "review B.C.": "before compulsion"—let me say this: I have a small apology to make to the parliamentary secretary to the Minister of Labour (Mr. Mackasey) before I read some of the glowing statements made on this matter by the Prime Minister (Mr. Pearson) and some others. I read his contribution on this particular matter during the labour estimates and found it very difficult to understand. I have read it a couple of times and I cannot understand it. I think what happened is this. He was trying to bring "Industry and Humanity" up to date, but failed. Why? Well, my theory is that the custodian of the crystal ball, the Minister of Transport, dropped it at some time somewhere, and the message did not get through from the great beyond.

First, referring to the exchange between the hon. member for Middlesex West (Mr. Thomas) and the minister, as set forth at page 5636 of *Hansard* for May 27:

Mr. Thomas: ...Has consideration been given by his department to the use of compulsory arbitration as a means of setting disputes, rather than

resorting to strike action, as has been the case for many years?

Mr. Nicholson: ...Very serious consideration has been given to this matter by the department and by experienced departmental officials over a period of several years. As a member of cabinet I know something of the difficulties that we have had in trying to work out and find an acceptable formula. If you really believe, as I happen to, in the importance and the significance of collective bargaining, which enables management and labour to sit down on opposite sides of the table and unburden their hearts and take strong positions if necessary, it is difficult to say in all cases compulsory arbitration would be necessary, or advisable.

Then the minister makes remarks concerning national interest, safety and security, for example in the air lines industry, movement of passengers and freight, in many cases on the railways; and then he says this:

I cannot give the hon. member a definite answer, but I can assure him—and this is why I made the appeal earlier today—that any constructive suggestions, which any member of this house or any other person may have to make as to how we might solve this extremely difficult question, when our national interests and economy are at stake, would be very welcome.

A constructive suggestion came from the former minister of labour, the hon. member for Ontario, on May 31, as reported at page 5743 of *Hansard*, when he asked:

• (7:10 p.m.)

—Will the Prime Minister call the parties involved to Ottawa, to bring them into a different atmosphere so they may proceed to a settlement through the collective bargaining arrangement, under the chairmanship of the Minister of Citizenship and Immigration (Mr. Marchand), who has a great deal of experience in this type of work?

Mr. Pearson: Mr. Speaker, everything that can be done is being done to bring this strike to an end. The Minister of Labour is in touch with the situation, as my hon. friend knows, and if and when the time comes that the minister who is dealing with the matter feels the intervention of the Prime Minister would be helpful, naturally he will let me know.

Those words were said after the strike had been going on for some time. The strike was causing considerable confusion to the economy in Montreal, Trois-Rivières, Quebec city, and perforce in the rest of the country.

Then we have this question by the hon. member for Bow River (Mr. Woolliams) at page 6054 of *Hansard*:

Can the Prime Minister tell us whether his government anticipates bringing in legislation to end the strike on the St. Lawrence seaway, in view of its prolonged duration and in view of the statement made by the Minister of Finance?

I interject parenthetically that the statement by the Minister of Finance dealt with the effect of the strike on grain shipments. The Prime Minister answered by saying:

Mr. Speaker, we hope this strike will be ended shortly by the process of free collective bargaining.

Some hon. Members: Hear, hear.

We have here the statement of the Prime Minister and the performing mice.

The record continues on June 9, at page 6173, where the Prime Minister says:

—We have not by any means given up hope that this serious issue will be settled very shortly by the processes of free collective bargaining and not by parliamentary direction.

Some hon. Members: Hear, hear.

Continuing, on June 10 at page 6240 the Minister of Labour says:

Mr. Speaker, if I remember the right hon. Prime Minister's words yesterday, he said the government was hopeful, as a result of recent developments, that a settlement would be brought about through collective bargaining in good faith with a sincere desire on the part of both parties to see an end to the dispute.

Then we have this intervention of the former minister of labour, now the Minister of National Health and Welfare, on June 13 at page 6907:

We have here a system of free collective bargaining, and it is the earnest endeavour of the government to reach a solution to these difficult labour situations through the procedures which have been established by law under that system of free collective bargaining.

Then came perhaps the happiest moment that the minister has had—I do not think he has had many since—when he announced what we all thought was the final settlement of this particular issue. Following the statements made, the hon. member for Burnaby-Coquitlam made an observation which I shall read. It is to be found at page 6369 of *Hansard* for June 14, as follows:

I certainly have no objection to the idea of setting up a commission of inquiry to look into this matter, providing the decisions and recommendations of that commission are not binding upon both parties but are simply for the purpose of providing a basis upon which collective bargaining negotiations may continue. I hope the minister will give us some more information about that, perhaps when the orders of the day are called.

Earlier the hon. member for Burnaby-Coquitlam (Mr. Douglas) had stated that the members of his party were very happy that a solution had been found without the necessity for parliamentary intervention. He said this:

Perhaps the proposal we made last week for parliamentary intervention without compulsory arbitration may have had some bearing on bringing the parties together.

[Mr. McCleave.]

At no time had the Minister of Labour said: Well, we have an agreement, but there are two words in it, namely "or otherwise" which can bring about a bill. If there were any reservations in the minister's mind, they were not stated.

Continuing the record, on June 23 at page 6785 the Minister of Labour announced the appointment of Dr. Laurent Picard, under the Industrial Relations and Disputes Investigation Act, as a commissioner. There is no suggestion in the announcement that the findings of the commissioner would become part of the labour agreement, through the measure to which we are now referring.

Continuing the story on June 29 at page 7019 we have the following:

Mr. David Lewis (York South): I wish to address a question to the Minister of Labour arising out of the bill he introduced earlier, and ask him to tell the house whether he informed the union or the shipping federation at the time the settlemen was reached of his intention to introduce compulsory arbitration of the issue of productivity, following the appointment of a commission of inquiry.

Hon. J. R. Nicholson (Minister of Labour): I most certainly did, Mr. Speaker.

Mr. Lewis: I wish to make sure of this. Did the minister inform both the union and the federation, or just one of those organizations?

Mr. Nicholson: Yes.

This was the first indication, of course, to my knowledge of a suggestion which had never been advanced in the press, or in any statements made inside or outside the house, that methods other than free collective bargaining were to be used in settling this particular dispute.

Continuing the story further, on July 8 at page 7387 the Minister of Labour said:

I think the phrase "compulsory arbitration" was carefully avoided; but the fact that there would be a binding solution, a recommendation to parliament—that legislation be enacted to make the terms binding, that is, the recommendations of the industrial inquiry commission on certain aspects—there is no question about that, Mr. Speaker.

I would say that the arguments this afternoon presented by the hon. member for Ontario (Mr. Starr) and by the hon. member for York South (Mr. Lewis) have clearly brought that fact out.

What about the agreement itself, Mr. Speaker? It is set forth on page 7436 of *Hansard* for July 8. The words over which so much time has been spent namely "or otherwise" are set forth in this document. The pertinent part reads as follows:

The agreements terminating on December 31, 1965, shall be amended by incorporating therein the terms of settlement set out above and these amended agreements shall remain in effect until December 31, 1967, unless amended by negotiations or otherwise.

We have had the voices of Philadelphia trilling in this chamber this afternoon, trying to explain that the words "or otherwise" do not encompass anything so wide sweeping and important as compulsory arbitration. May I add my own thoughts. I will not deal with the words "or otherwise" but instead I shall deal with the word "unless". The way I read this provision, it means that the agreement remains unless something is done. That is, the agreement as set forth here shall remain in effect unless something is done. That agreement deals with wages and some other matters, but certainly not with questions of productivity, and like matters which are the heart and soul of the measure we are now considering.

The record, I think, clearly indicates an understanding which led to a misunderstanding which, if properly spelled out, might have saved difficulties for both sides. Perhaps the longshoremen would not have accepted the idea of a binding report by a commissioner. Perhaps they would have accepted it. But to ask working men to take the words, "or otherwise", and construe them into a piece of legislation being solemnly enacted in the House of Commons and in the other place, to which royal assent might be given, is stretching the absurd into the impossible.

• (7:20 p.m.)

The agreement is neither flesh nor fowl, but bad red herring. Yet, Mr. Speaker, there is an obligation on us to rescue the government from its own follies if there is to be hope for labour peace in Canada this year, and if we are to restore the confidence of management and labour that they can come to this place, present their problems, and the government will offer the assistance of its Department of Labour, its skilled people, and even such skills as members of the government themselves possess, to bring industrial stability to a country that is badly in need of the same. Therefore I make some positive suggestions to the minister to help extricate him from the difficulties that he himself, or somebody else, plunged him into.

There is the suggestion of the hon. member for Ontario (Mr. Starr) to forsake the bill and leave it up to the two sides by collective bargaining or, at the very least, to let them look at the report of Mr. Commissioner Picard and make what they can of it before

coming back to parliament and telling us their troubles again.

Also, there is the suggestion made some time ago by the Leader of the Opposition (Mr. Diefenbaker) which the Prime Minister (Mr. Pearson) considered although, to my knowledge, he did not act upon it. It is set forth at page 6299 of *Hansard* for June 13, when the Leader of the Opposition inquired—

> —whether the government is giving consideration to setting up a commission to review in detail the general position created in employer-employee relations by reason of technological change, a matter that is of prime importance in connection with the various disputes which are arising?

The answer of the Prime Minister was:

> Mr. Speaker, the matter mentioned by my right hon. friend is, of course, one of very great and continuing significance, as we have learned—if we needed to learn—from the dispute that we have been discussing. It may well be, Mr. Speaker, that if the house requires an opportunity to discuss this particular dispute, this will be one of the elements that we will be discussing. I quite agree that it should be considered in its wider context. I think it would be the feeling of the house that the government would give consideration to an examination of the kind suggested by my right hon. friend.

I might add that the dispute being discussed at that particular time was the longshoremen dispute. That is the second suggestion I would mention which received an at-least-we-will-look-into-it-because-it-is-a-good-idea reply from the Prime Minister.

I would suggest to the minister that this is a way out for him not to deal with the longshore dispute by the compulsory arbitration set forth in this bill by having the broader issues examined, so that these people will not feel they are being treated separate or apart but that the whole problem of automation, job security and productivity is being examined at the same time. This could be done, as the Leader of the Opposition has suggested, by setting up a commission of inquiry, and to this I would add the suggestion that we could do it in yet another way.

I suggest we could refer these important issues of job security, automation and productivity—surely the most momentous issues now facing the business and industrial life of the country—to a committee of this house in which a large number of hon. members, coming from varied backgrounds, could examine all these things.

I myself have great faith, I will not call it optimistic faith but faith which I am sure would be justified, in what such a committee study could bring forth not only to help the disputants in this particular case but also to set guidelines, by legislation if need be, that would help labour disputants in this country over a generation ahead in dealing with problems caused by computers and all the other modern trappings.

These are several suggestions, in addition to the one offered by the hon. member for York South (Mr. Lewis) that the subject matter of the dispute be referred to a committee. In that respect our ideas are probably very much alike.

Again, Mr. Speaker, I say that the bill is unjust and mischievous. It will bring government, the supporters of government, and parliament itself into discredit. I want to make it clear that the Conservative opposition supports the amendment proposed by the hon. member for York South, and I also want to make it clear that we will reject Bill C-215.

• (7:30 p.m.)

[*Translation*]

Mr. Joseph-Alfred Mongrain (Trois-Rivières): Mr. Speaker, I am sure that the house understands why I want to take part in the discussion on that bill respecting conditions of employment at the ports on the St. Lawrence and on the amendment moved by the hon. member for York South (Mr. Lewis).

With your permission, Mr. Speaker, before going on to my main remarks, I would like to thank all hon. members in my name and on behalf of all my constituents for the extreme courtesy and respect they show for the name of my riding, since I brought the matter up in the house, and the last example is that of the previous speaker who was careful to call my city Trois-Rivières, as it should be called. Some people may think that it is an insignificant matter but in my riding it is a matter of pride, of family feeling, and saying that we are happy about the courtesy shown by my colleagues here is saying a lot.

About the bill, Mr. Speaker, I will say that, as an independent, I am a little like a spectator who does not even pay the amusement tax, who has the pleasure of seeing people in office introduce their bills and also seeing with what vigour the opposition fights them. I find it not only very entertaining but also very instructive.

For instance, I have great esteem for the hon. member for Ontario (Mr. Starr) and for the hon. member for York South, because they are never dull. They are above average speakers and also they have quite

an extraordinary gift for parliamentary debate; they always interest me even when I do not share their views.

I must say just the same that there are times when the strength of their arguments was greatly reduced in the eyes of the most interested spectator that I am, the independent spectator, by the partisan contingencies which become obvious. For instance, when I heard this afternoon the hon. member for Ontario (Mr. Starr) bitterly criticize the Minister of Labour (Mr. Nicholson) in a tone of voice and with arguments which seemed forced, twisted, in many cases, I said to myself, of course he is a member of the official opposition, leader of his party, he must absolutely object. That is his role, that of Her Majesty's loyal opposition, to object with all its might, with the argumentative strength at his disposal to what the government proposes.

In the eyes of the interested spectator as well as in those of probably many spectators outside this house, that weakens probably, certainly in many cases, the strength of his arguments. And that enables us to ask ourselves questions on the value, as far as sincerity is concerned, of some arguments voiced.

Mr. Speaker, I should like to tell a story about the member for York South (Mr. Lewis). I am known in my home town as one who likes to tease members of the bar, lawyers. Some people even say that I am allergic to lawyers. This may not be true. I like to tease them because lawyers can hit back better than other people. They are more argumentative.

Lawyers in several provinces of the country are great friends of mine. Back home, those whom I cruelly tease vote for me most of the time. But I was amazed in many cases at the reaction of some lawyers when I asked them, after hearing them making their plea with extraordinary conviction and eloquence: if, by any chance, the individual you defended crossed over to the other side and you had to put the case for the prosecutor, would you do it with as much conviction? And those lawyers would answer: Of course, it is my job. I must resort to all the tricks of the law to win my customer's case.

So then, Mr. Speaker, for a layman such as I, truth does not stem from legislation, but legislation from truth. With the years, I have reached the point where many questions come to my mind when I hear brilliant indictments or eloquent pleas such as that of the hon. member for York South this afternoon. In his argument, he failed, in his wisdom and knowledge to consider that for common people such as me and many others, who heard him say "All my life I have been counsel for certain unions, I have appeared for certain unions" that would remind us: "He is doing his job and his job as a lawyer is to defend his client, the client who is paying his salary." I do not know whether he is still on the pay roll of the unions, but evil tongues claim that the N.P.D. campaign funds are supplied by—I am happy to see the hon. member for York South entering the house because I would have disliked to speak of him in his absence, I have too high a regard for him. The Holy Ghost probably inspired him to come and hear what I have to say and more power to him—when the member for York South brought out that point, the value of his argument was reduced to my layman's mind. And when I recalled that it is being unkindly said, although it may be true and it seems warranted by certain indications and by certain events, that the campaign funds of the N.P.D. are supplied by certain powerful unions, I may say that the value of his argument was somewhat reduced.

At home, Mr. Speaker, I am not being financed by any union although, to the surprise of the N.P.D., I would say that most of their supporters voted for the independent member, because the independent member for Trois-Rivières has always told the truth to the union members at home. Twenty times, possibly, I negotiated collective agreements and I negotiated with learned lawyers, wise in the ways of labour-management relations, and we always got along fine.

We only had a dispute once, which involved a bastard union. I am not saying it was a bastard union: the other unions, the Conseil des métiers du travail, the Syndicats nationaux catholiques clamoured from the roof tops that it was a bastard union. That is probably why we did not agree.

But, Mr. Speaker, I have always told the people back home, our union people with whom I have had contacts in public life for 20 years what I believed to be the truth.

After this preamble, Mr. Speaker, I want to say that, under the present circumstances, I fail to see how anyone can blame the minister for introducing this bill. When it is claimed that it deals a blow to free and

voluntary negotiations, I say the facts and the truth are being twisted. I say the best proof that the parties accepted that solution, when there was no other alternative, is that they decided to go back to work. There was, therefore, tacit agreement, Mr. Speaker.

And when they say that this is an almost criminal interference with free and voluntary bargaining, they forget that this is an exceptional case.

As for me, Mr. Speaker, I would go farther than the Minister of Labour. I submit that, in public services or in organizations, even those not directly responsible for public service, but having contingencies where public interest is at stake, there should be a machinery to provide for prompt bargaining. For instance, it should be provided that three, four or five months before the expiry of a collective agreement, the parties concerned should sit down and negotiate. And if on expiry of the collective agreement, for instance, they did not agree, let us have arbitration courts to settle the matter.

After all, in our complex economy we must manage to arrive at some sensible solution. I tell you that it is not intelligent to allow a union to endanger the whole economy of a country to satisfy its own interest.

And I am not the only one to say so, Mr. Speaker. I should like to advance the testimony of someone who knows more about it than I, because I did some research when, like everyone, I read in the papers what the president of the Labour Congress said at one time. The Montreal *La Presse* said:

> The president of the Canadian Labour Congress violently contested yesterday the statements of the Minister of Labour who said that compulsory arbitration could help to reduce the number of strikes.

Mr. Jodoin added:

> However, he said, if union members are to keep their integrity and share in Canada's growing prosperity—

I find that very surprising. In order to share in the growing prosperity, we must jeopardize it by ruinous strikes such as we have known.

> They must be able to stop working without threat of government intervention.

Elsewhere, Mr. Speaker, I found a statement by Mr. Walter Reuther, president of the United Auto Workers, affiliated to the American Federation of Labor and to the C.I.O. He is not a newcomer in the field of labour; following the strike of the bus drivers in New York a short time ago, he said this—I shall try to give as faithful a translation as possible and in case I do a bad job, I shall say I took this passage from the January or February issue of *Time* magazine: we must put an end to our strikes—this is Walter Reuther speaking—we must put an end to our strikes, which are endangering the survival of society. We can no longer tolerate a situation where a group of employees, even if they have a right to what they ask, can paralyse the economy of a whole community.

It is obvious that Walter Reuther is not in favour of compulsory arbitration. He suggests solutions less generous and less ruinous than endless strikes. In regard to protracted strikes which further the interests of some people, he adds this: We must create without delay a tripartite commission representing the worker, the employer and the state, which will set up the machinery for new policies for the immediate settling of strikes in the public service.

Well, I for one believe that the bill before us is not only acceptable but that it is going to provide, once and for all, for those disputes which are disastrous to the economy.

And I was shocked at hearing the hon. member for York South say: "Postpone that. And if another disastrous strike should occur, it will still be time to pass legislation."

We would have to go through another disastrous strike, Mr. Speaker. For my part, I believe that workers have had more than enough of such things.

I suggest that our workers are getting to wonder whether this is not all eye-wash, whether the whole truth is not hidden from them. I think it is time that workers in 1966 hear the truth, even from their politicians, even from their labour leaders, even from the learned lawyers representing the labour union. In a case such as the one with which we are concerned, at a time when an agreement could not be reached, I say that the will of both parties was expressed clearly enough to warrant government action. I would go as far as to say that the government waited too long to take action and, in saying that, I say I have the support of the rank and file of the labour unions, perhaps not of the leaders whose prestige is at stake if they accept that, but of the people who have to tighten their belts when they have been on strike for 38 or 40 days without getting any wages.

Mr. Speaker, I think that the workers are wondering whether too many people are not

playing politics with the workers' interests and with the so-called benefits of labour unions. I think that the workers are beginning to realize that they are being fooled in order to increase the prestige of some fabulously paid labour leaders.

I say, Mr. Speaker, that the workers are aware of the fact that they are the ones to foot the final bill on all disputes harmful to the whole economy and that they may be the cat's-paw, in other words, the suckers. They are too well informed these days, not to realize that the wool is being pulled over their eyes and they are only waiting for the opportunity to rightly rebel against such goings-on. They have not had many opportunities so far and I know something about it, because I have personally walked the docks of Trois-Rivières for twenty years. I have in Montreal and also in Quebec, a certain number of friends and acquaintances who give me their views on the situation and tell me, each in turn, that they would refuse, in certain circumstances, to follow their labour leaders if they were not being threatened with broken legs or being thrown into the St. Lawrence. For the enlightenment of those who think that I am dreaming this up, let me remind them of all that happened a few years back at the time of Hal Bank's union and what came out at the inquiry that the government launched later to find out what had occurred.

I say that our workers find it intolerable to see labour leaders urging them to break the law, to overlook court orders and to flout the law, because their own interests are involved, knowing that this will boomerang, that others will also scorn the law and that they, themselves, will become the victims of such contempt of law.

Mr. Speaker, under the circumstances, I think it is the government's duty to take action, which it did perhaps a little too late, in my opinion. Maybe it did not have the freedom to do it before, obviously fearing all this public protest coming from certain sectors more concerned about their personal advantage than about the commonwealth, but this is a case where the government cannot forget that the commonwealth must come before everything, that the general economy of the nation must have precedence even over the rightful interest of a group, and I think that our workers have enough common sense to understand it.

Mr. Speaker, our workers want to work; they want the government to give them work or organize an economy where they can find employment. They want to work at reasonable wages and for that, they know that the economy must be strong, firm. There are no miracles in life and they know it. They are sufficiently well-informed nowadays to know that. It is no longer possible to make them believe that the moon is made of green cheese and they know that, at times, the government will have to intervene to protect them and that, in other cases, it will have to bring them to reason because they will have been misled by others. I think the majority of our workers are eagerly seeking that truth and that they will be happy to see that the government has the courage of its responsibilities.

Mr. Speaker, I know it is unpopular to speak this way. I am also of the opinion that the Minister of Labour (Mr. Nicholson) and the Minister of Citizenship and Immigration (Mr. Marchand) know very well that after the statements they made there will be tomorrow a general outcry in certain fanatic and pro-labour papers and when I say pro-labour, I mean in a fanatic way, because there are papers which are pro-labour in an intelligent way. Hence, that calls for certain courage. I know also that my statements will perhaps not be popular in a certain press but I know that they reflect the feeling of the humble worker who is deprived of his wages during three or four weeks because of legal red tape and of bickering on the meaning of a word or of a sentence which enable learned lawyers to get phenomenal salaries and politicians to make the fortune of their political party, while they do not have the means to pay for their groceries during the week end.

Mr. Speaker, I will vote in favour of the bill and against the amendment of the New Democratic Party for the reasons that I have outlined and for others that I would have liked to point out. But I do not want to overtax the patience of the house, I will conclude my remarks now and repeat the words of a famous politician named Abraham Lincoln, for the benefit of those who deal with labour questions in a biased or interested manner:

• (7:40 p.m.)

[*English*]

You can fool some of the people some of the time, and some of the people all of the time, but you can't fool all of the people all of the time.

Labour Conditions

Mr. Frank Howard (Skeena): Mr. Speaker, I listened with great interest to the remarks of the former independent member for Three Rivers.

[*Translation*]

Mr. Mongrain: Mr. Speaker, I would like to remind my hon. friend that my city is called Trois-Rivières.

[*English*]

Mr. Howard: Mr. Speaker, on this point of order let me say that I deliberately used the phrase "Three Rivers" and will continue to do so until the hon. member and some of his friends cease to refer to the province from which I come as "Columbie Britannique" and commence to refer to it by its proper name, British Columbia.

[*Translation*]

Mr. Mongrain: I will say to my hon. friend that I would be greatly pleased to do so, at his request.

[*English*]

Mr. Howard: In so far as I am concerned now, the riding will now be referred to as "Trois-Rivières".

Mr. Pickersgill: This sounds like a lesson in bilingualism.

Mr. Howard: I want to express admiration for a certain aspect of the Liberal party, and I do so ungrudgingly. Having listened to the Minister of Citizenship and Immigration (Mr. Marchand) it seems to me that Liberals, no matter what their origin may be, have a tremendous ability to justify any procedure by distortion of the facts and misinterpretation of the words. That hon. minister obviously set out to substantiate a very poor argument by using the very weakest quotation he could find in *Hansard*. Let me congratulate him on his success.

Under our rules we are required to accept the word of an hon. member. In the circumstances of the present situation we are required to accept the word of the Minister of Labour (Mr. Nicholson) as to what took place during those wee small hours that he talked about. By the same token we are required to call Claude Jodoin and Mr. Cutler liars because of what they said as to what took place.

[*Translation*]

Mr. Marchand: On a point of order,

[Mr. Mongrain.]

Mr. Speaker. I would like to know who said that Messrs. Jodoin and Cutler were liars?

[*English*]

Mr. Howard: Had the hon. minister been listening he might have understood what I said, but for his benefit I will repeat myself. Our rules require us to accept the word of hon. members of this house. Accordingly we must accept what the Minister of Labour told us took place at these meetings. Whenever there is a conflict between what has been said by the minister and what has been said by Mr. Jodoin and Mr. Cutler as to what took place we must accept the minister's version, and therefore classify the other two gentlemen as liars.

Mr. Marchand: That is not true.

Mr. Howard: That is a regrettable situation, but it is what hon. gentlemen opposite are asking us to do. I for one think this is an extreme misuse of the rules of this house. Unfortunately this misuse will continue so long as the government blindly insists on ramming this bill through parliament, and so long as the government refuses to accept the cautious course advocated by the hon. member for York South (Mr. Lewis) in his amendment.

If hon. members opposite would accept our advice and proceed cautiously in regard to this bill, permitting the subject matter to go to a committee before which hon. gentlemen here, Mr. Jodoin and Mr. Cutler could appear as witnesses, perhaps the committee could come to a conclusion as to the facts. The key to the whole matter is, as has been said by many hon. members and by the Minister of Citizenship and Immigration, who said what, and who agreed to what? I quite frankly say this, with all due respect to the rules and the minister, that at this juncture I am not prepared to accept the minister's version as to what took place, because on a number of occasions when he has spoken in this house about this matter he has hedged, qualified and been vague.

• (7:50 p.m.)

I think in a situation such as this, perhaps unique in labour-management history, perhaps unique in parliamentary history, that was no time for the Minister of Labour to be coy. It was no time for him to be silent about this extremely vital question of whether or not there should be compulsory arbitration. I should like to read what the minister said, as have other hon. members. On June 14 the

minister announced the settlement of the dispute. I shall read only the particularly relevant sections of his remarks. I do not want to read them out of context, and if anybody wants me to read the whole thing, I will do so. He said, as reported at page 6368:

> It was difficult if not impossible for the parties to agree on the nature and extent of possible increases of productivity.

He was there approaching the nub of this question. Then he said:

> When this situation developed I, as Minister of Labour, several weeks ago announced that I intended to set up a commission of inquiry under the Industrial Relations and Disputes Investigation Act to inquire into the possibilities of improving productivity—

That was the time the minister should have disclosed that he was going to do something unique. This was the time that I contend the minister misled the house by not going further, by not saying that he really did not intend to set up a commission under the Industrial Relations and Disputes Investigation Act as it exists. He should have said: We intend to follow that up by introducing legislation which will make that commissioner's report final and binding. He did not say that at that time.

Mr. Nicholson: Mr. Speaker, would the hon. member permit a question?

Mr. Howard: Gladly.

Mr. Nicholson: Was the hon. member in the house this afternoon and did he hear the minister's explanation of why he did not say that?

Mr. Howard: If you wait, I will give you the answer—if you will sit down. No, I was not in the house, unfortunately. I had every hope, desire and intention of being here, but other circumstances more personal than public unfortunately kept me away. I did not hear the minister's explanation. I would be glad to listen to it now. I realize we would be running contrary to the rules in doing this, because my hon. friend from York South ran into this difficulty before. Then, Mr. Speaker, I have to go in the direction of saying that the minister should have related that on that day. The minister then said:

> I now wish to confirm that I intend to set up such a commission within the next few days. I will have more to say on that subject when I announce the appointment of the commissioner.

The minister was giving an indication of something vague and indefinite at that time, true; but an indication of something else, something in addition to the mere appointment of a commissioner under the Industrial Relations and Disputes Investigation Act. I submit that the minister was probably ashamed to say it at that time—

Mr. Nicholson: Mr. Speaker, I rise on a question of personal privilege. I think that when I asked the question that I asked a few moments ago the hon. member should at least have asked for a copy of *Hansard*, or the blues of this afternoon, or something else, before carrying on in this vein, becaue I explained in no uncertain terms that I had prepared a statement to be used in the house and had deleted a section of it at the request of the lawyer for the I.L.A., because he said he thought the representatives of the unions should be allowed to explain it to their membership before any statements were made in this house about proposed legislation. It was done at their request, and the original notes that were sent up to *Hansard* will show that.

Mr. Howard: Mr. Speaker, when the minister rose on the question of privilege I inquired of my hon. friend from York South what was said, so I have heard it from two sources. This is all the more reason why the minister should send this subject matter to a committee in order to get at the true facts of the situation, because I understand that Mr. Cutler denies that. Whether he does or not, I cannot say. What went on in those wee, small hours of the morning is unknown to me. I submit that perhaps the minister can be excused for not having disclosed that information to the house on June 14—

Mr. Nicholson: Mr. Speaker, I again rise on a question of privilege. The statement I made did not refer to anything that happened in the wee, small hours of the morning; it referred to something that took place just as I was coming into the house with a prepared statement.

Mr. Howard: The minister just said that on June 14 he did not make any reference to the compulsory feature of the legislation which he intended to introduce because he was requested not to do so by Mr. Cutler. Whether that took place in the wee small hours of the morning, I really do not know. It took place presumably in a conversation between the minister and Mr. Cutler. The minister says one thing: Mr. Cutler says another. All that the amendment before us seeks is a bit of reason, a bit of sense of fair play in

order that parliament can hear somebody else's side of the story. The minister apparently did not treat Mr. Cutler's request with any great respect because on June 14 he told us he would have something further to say about the subject upon the appointment of the commissioner.

On June 23 the minister announced the appointment of the commissioner and his remarks were noticeably barren of any reference to this something additional. Was that at the request of Mr. Cutler or anybody else? Let me read the statement the minister made on June 23:

> Mr. Speaker, I wish to table copies in English and French of the appointment of Dr. Laurent Picard, under the Industrial Relations and Disputes Investigation Act, as a commission to investigate and report on certain outstanding matters arising out of the industrial dispute that involved longshoring operations and related trades in the ports of Montreal, Trois-Rivières and Quebec.

Let me read part of it again:

> —as a commission to investigate and report—

Those are the words in the Industrial Relations and Disputes Investigation Act, "investigate and report"—not "investigate and impose". I submit that, with all the bland comments of the minister, he is doing a darned poor job of trying to cover up for gross mismanagment in an attempt to represent one particular side in this dispute. I am not one of those who usually refers to years of experience, and the like, but never have I heard anything in the labour-management field as terrible as this. The most gracious way in which I can put it, the most kind comment I can make is that it is a piece of legislation based on a misunderstanding.

For heaven's sake, Mr. Minister, don't ask this parliament to stigmatize itself by authorizing yellow dog contracts. There have been enough of them in the past, of sell-out contracts by unscrupulous individuals in both the labour and management fields, and to demean the position of parliament in endorsing such things is, I think, asking too much of parliament.

The Minister of Transport (Mr. Pickersgill) earlier today referred, by way of query I think, to the contents of a bill in my name which was listed for introduction. Because this information was requested I think it might be worth while to place on the record the key points of that particular bill, those that relate to the question of negotiations and operation under the Industrial Relations and Disputes Investigation Act. I might say that even though the bill was in my name, I only acted in that respect as an agent for the party itself, because this was a matter of strong unanimity.

[Mr. Howard.]

● (8:00 p.m.)

We had no illusions that the bill would be accepted or that it might become law; such is not the course to be followed in this house. Our main contention and approach at that time was to get negotiations under way which would lead to a solution.

Let me read clause 7 of the bill that I had hoped I could introduce. It says:

> The company and each union—

And let me add there are previous parts to this interpretation clause which define the words "company" and "union". It goes on to say:

> —shall forthwith and, in any case not later than five days from the commencement of this act, enter into negotiations with a view to the settlement of any matters presently in dispute beween them as to the terms of an amendment or revision of the existing collective agreement, and shall negotiate in good faith with one another and make every reasonable effort to conclude a settlement and to enter into a new collective agreement.

The principal point behind this clause is not compulsory arbitration but compulsory negotiations, which I think anyone would want to see, because for some five weeks up to that time there had been no attempts to bargain in good faith so as to reach a conclusion in the dispute. We felt that one of the principal points in any law of this nature should hinge upon the requirement that there be collective bargaining in good faith.

I might add at this point that I received comments from several hon. gentlemen opposite in an unofficial way, and that they were almost venomous in their opposition to this sort of legislation. I will refrain from mentioning their names, as they know themselves better than I do, but their objections and comments made to me personally related to compulsory arbitration. This is another reason why I welcome the opportunity to present the principal point in this bill, which is that it does not contain any element of compulsion, except to require compulsory negotiations which are most necessary in order to reach a settlement.

Mr. Pickersgill: May I ask the hon. gentleman whether he would read all the operative sections of this bill? I do not ask him to waste the time of the house by reading the interpretation clause, but maybe he will read to us all the operative clauses, and not just clause 7.

Mr. Howard: That is what I am doing. I will gladly make this bill available, as I did to the Parliamentary Secretary to the Prime Minister who asked me specifically if he could have a copy. Subclause 2 reads as follows:

If at the expiration of 60 days from the commencement of negotiations pursuant to subsection (1) any matters in dispute have not been settled such matters shall be referred to an industrial inquiry commission consisting of a single commissioner—

This is a departure from the general rule.

—appointed pursuant to subsection (1) and (2) of section 56 of the Industrial Relations and Disputes Investigation Act;

I may say here that it has long been my belief that a three-man arbitration and conciliation board is a waste of time because two of the members represent their people, and when a conflict arises within the board itself concerning the matter in dispute, it invariably falls upon the chairman to make a decision anyway.

Mr. Marchand: Did the hon. member ask the labour movement what it thinks about having a single arbitrator?

Mr. Howard: I was in the International Woodworkers of America for a long period of time and in our contract we had a single arbitrator, the late Chief Justice Gordon McG. Sloan.

Mr. Pickersgill: Did the hon. gentleman say "a single arbitrator"?

Mr. Howard: Yes, in the contract that existed. When I was in the International Woodworkers of America, our contract named a single arbitrator, the late Chief Justice Gordon McG. Sloan to arbitrate in disputes arising out of collective agreements, not those dealing with negotiations which was an entirely separate matter.

May I also say to the Minister of Citizenship and Immigration that I am not representing labour; I am here to try to legislate for the good of the nation. It is my view that a single commissioner would be far more beneficial than a tripartite group in a case such as this.

Subclause 2 goes on to read:

—provided however, that in the event the union and the company fail to agree upon the person who should constitute the industrial inquiry commission the governor in council shall make the appointment within five days of the expiration of the said 60 days.

This is standard practice. Subclause (3) reads:

Immediately following its appointment the industrial inquiry commission shall inquire into the matters in dispute and shall give full opportunity to all parties to present evidence and make representations.

This again is standard practice.

The following clause is a departure from the provisions in the Industrial Relations and Disputes Investigation Act. It reads as follows:

The industrial inquiry commission shall have the authority to make reports including recommendations to the Minister of Labour from time to time on matters referred to it, but in any event all such matters shall be recommended upon not later than the first day of June, 1967.

This would allow the commissioner ample time and opportunity to study the matters involved in the dispute and to make recommendations about them, provided that by June 1, 1967 all the matters had been disposed of.

Note the key word "reports", which is taken from the Industrial Relations and Disputes Investigation Act and which the Minister of Labour used on June 23 when he announced the appointment of Dr. Picard as the commissioner, with the same implication—that he report.

Subclause (5) reads as follows:

Upon receipt of a report including recommendations from the industrial inquiry commission relating to any matter in dispute between the company and each union, the Minister of Labour shall furnish a copy to each of the parties affected and shall publish the same in such manner as he sees fit.

This again is the standard approach.

Subclause (6) reads as follows:

Nothing in this act shall be deemed to limit or restrict the rights of the parties to an existing collective agreement to agree to vary or amend any of the terms thereof and to give effect thereto.

This is the operative part of the proposed legislation.

Mr. Pickersgill: May I ask the hon. gentleman another question? Is there no provision in the legislation requiring the I.L.A. members to go back to work?

Mr. Howard: Yes, this is again standard practice.

Mr. Pickersgill: Will the hon. gentleman read that clause?

Mr. Howard: The proposed bill, patterned as it was on one passed by this parliament

some time ago, arranges for the appointment of an administrator to carry on the business of the company. There is a further requirement that every employee who was then on strike should return to the duties of his employment, that there would be no discrimination against him and the like. There is also a provision for wages, which we understood at that time had been a matter of agreement amongst the parties, although it is true they hinged upon certain other factors. I left this clause out because I thought the Minister of Transport and other hon. members on the government side of the house would have a sufficient knowledge of such legislation to know that these provisions would automatically be included in such a bill.

Mr. Pickersgill: I must say, sir, that I would still be very grateful to the hon. gentleman if he would read every clause, without commenting on each, except for clause 7 which he has already read, so that we will all be acquainted with what was in the proposed bill.

Mr. Howard: If the minister had had sufficient interest, as did the parliamentary secretary to the Prime Minister, to make inquiries about these provisions at the time I gave notice on the order paper, he would have been acquainted with the bill. If the minister's colleagues or hon. members on his side of the house had not refused our request for unanimous consent to introduce the bill, it would have been introduced and made public. It is only upon the request of the minister that I brought it forward today.

Mr. Marchand: Perhaps I should not ask a general question of this nature, but will the hon. gentleman tell me whether according to his bill the workers would have had to return to work?

• (8:10 p.m.)

Mr. Howard: Well, if the minister had been listening he would know I said they would, under an administrator, to carry on the business of loading and unloading the ships.

Mr. Marchand: In other words, you would have denied the right of the workers to strike?

Mr. Douglas: That is as logical as the speech the minister made this afternoon.

Mr. Macaluso: You would not know what logic was.

Mr. Howard: As I said earlier to the minister in these remarks, I appreciate his ability to distort the facts and misinterpret statements. However, no matter how hard you try, you are not going to do it.

Mr. Pickersgill: I wonder if I might request the hon. gentleman, very humbly, just to read his bill, for the benefit of those of us who did not think we had a right to have it before the house was in possession of it?

Mr. Howard: You had the right to have it, if you had not objected.

Mr. Pickersgill: I did not object.

Mr. Howard: Not you, personally, I know; you would not dare do anything like that. It would run against your grain to settle a matter of this sort. I still have the stencils for mimeographing this bill in my office and I will gladly run off a few thousand copies for the minister tomorrow if he wants them. If I were to read the bill clause by clause, I would take far too long. I believe I have covered the salient points.

What we have before us in this bill—

Mr. Nicholson: May I ask the hon. gentleman a question? While I have not seen a copy of the bill, I have read the press release, and I should like to ask if the bill presented by the hon. member was not predicated on the fact that a firm offer had been made by the Shipping Federation? Is there any evidence to support the idea there was an unconditional offer made by the Shipping Federation?

Mr. Howard: The bill was predicated upon a desire to get that aspect of our economy moving again and, hopefully of stirring the hon. gentleman off his seat in order to get cracking on that particular dispute.

Mr. Nicholson: I wonder if the hon. gentleman would mind answering my question?

Mr. Howard: You are just too impatient, that is all. This indicates a weak position on your part, since you are trying to push something through the house which you cannot fully substantiate. Part of the bill related to wage increases—

Mr. Nicholson: Would the hon. gentleman—

Mr. Howard: Just watch that impatience; you will never get any further in the cabinet that way, because the Prime Minister (Mr. Pearson) is watching you. He does not like this impatience. He likes to take things slow and easy, mostly so that he can change his mind later at any convenient time.

The bill I drafted contained a provision with respect to wage increases which, as I said before, we understood at that time had been the subject of agreement between the parties. It is true we understood also they were connected with some other matters which formed part of the package. Not being privy to the offers and counter-offers, other than by gossip and hearsay, what else could one do? If I had been in the minister's position, and I say this quite humbly, perhaps things would have been started a lot faster than they were. If the minister had had any really serious desire to deal with this matter he would have done so long before he got pushed into it.

The bill before us contains a provision which, no matter how you dress it up, no matter how you misinterpret what the effects might be, no matter how you want to qualify it, calls for compulsory arbitration based on sneakiness. There is not and has not yet been exhibited any intention on the part of the government to allow the other people who were involved in this discussion to tell parliament what their views are. We have had one of three sides presented and we are being asked, under the rules, to accept that statement as the gospel truth.

The worst feature about the bill is that parliament is being asked to force the unknown upon two elements in our society. Parliament is being asked to legislate for some unknown thing in the future, a most unique sort of proposal. Parliament is being asked to say to the Shipping Federation of Canada: We do not know what this is all about, but we think Dr. Picard will be able to find out and he will force you to do certain things. We are being asked to say to the longshoremen who are working there: We do not know anything about the procedures of loading or unloading ships, but we are going to force you to accept what Dr. Picard tells us, you should accept that, because he does not know anything about it either. This is what I consider to be the worst feature of the bill, and I believe it should be rejected. It does not matter who said what or who did not say what or whether was an agreement about certain things, which I submit the amendment seeks to work out. The principal feature, which I understand the hon. member for Ontario (Mr. Starr) presented with some force, as did the hon. member for York South (Mr. Lewis), was that we were being asked to legislate some unknown quality in the future, and impose upon unsuspecting people some unknown provision relating to their wages, hours and working conditions.

Since wages have a connection with prices and profits we are being asked to legislate on one aspect of the economic activity in the longshore industry. The natural follow-up when you start to legislate on wages—and this is why I was reluctant to introduce my draft bill, and I am sure this is why the minister is reluctant, and why the Minister of Citizenship and Immigration (Mr. Marchand) is able to say his feelings about compulsory arbitration are such as to prevent his accepting something even approximating compulsory arbitration,—is that parliament must step in and legislate with regard to the other two aspects as well. This is an exeremely dangerous step for anybody who has any sincere desire to see free collective bargaining take place. This is another reason I think the bill should be rejected. It would be one more interference with the whole structure of prices, administration and profits. I am not saying that at some time this might not be a desirable thing. However, it is most unfair to extract one item and say we are going to impose particular conditions in respect of it, but allow the other two aspects to run free.

I do hope, even though there may be rancour and harsh feelings, perhaps some words said that would have been better left unsaid, that the minister will seriously consider accepting the proposal made by the hon. member for York South, namely referring the subject matter of this bill to a committee, so that parliament can get the story from all those who desire to appear before that committee. Perhaps on that basis parliament can come to some conclusion as to whether or not there was an agreement between the parties.

As the situation is now, we have one of three sides of the case and we are being asked to accept the hon. gentleman's word as gospel truth, because the rules say so. We are being asked to disregard whatever views the Shipping Federation or the longshoremen may have about this particular matter. The minister would be well advised to do this. If he does not, if he insists upon the course of ramming this particular legislation through parliament, he will be demeaning parlaiment. I, for one, simply cannot participate in parliament's being asked to legislate yellow dog contracts into existence for this union.

• (8:20 p.m.)

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I rise to take part in this debate at this time and very briefly to express my strong opposition to this proposed

legislation, Bill No. C-215. In doing so I do not plan, of course, to attack the minister, for whom I have always had the greatest respect, and still have. However, I do think that he has been misguided in this situation.

We all know that since this government came into power the minister has been brought forward on a number of occasions by the Prime Minister (Mr. Pearson) to bail out other ministers who have dug a hole in which to bury themselves. We have not heard from them since, so he did a very good job. However, I am afraid that the minister must have dug a hole for himself on this occasion; and this is regrettable because I do not think that he would have done this on his own. I think there must have been some assistance from an unknown source, and in reviewing the situation it could be that there is the fine Pickersgillian hand behind the scenes, to the extent that as acting prime minister on that occasion possibly he has led the minister down the garden path. I do not know whether or not this is correct, but I suggest it could be so. Goodness knows, we are bad enough off now with the present Prime Minister; but I hope that the day will never come when we will have the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as prime minister.

The minister said in his remarks today that Mr. Claude Jodoin was opposed to binding legislation; that the union did not agree to a commissioner or to binding legislation. He also mentioned, through questioning I think, that an agreement was drafted by the deputy minister of labour. So here we have a situation where the government practically draws up an agreement, at least from what I have been told. Then someone has said to the Shipping Federation: Look, you agree to that and we will see that there is legislation brought in, and everything will be hunkey-dory for the shipping federation.

What are we faced with in this legislation, Mr. Speaker? The hon. members for Ontario (Mr. Starr) and York South (Mr. Lewis) put the situation exceptionally well and placed the case before the house, so I do not intend to recall dates, telegrams or letters, to show who said what and who did not say what. Both hon. members are to be commended for the fine job that they did of pointing out the flaws in this iniquitous and vicious—as I think it is—legislation. I cannot see the justification for compulsory arbitration. I am not for it, I will never be for it and I will vote against it.

[Mr. Muir (Cape Breton North and Victoria).]

As was said by the two hon. members to whom I have referred, this legislation is compulsory arbitration in its most extreme and its worst form. As other hon. members have said, it will put into effect recommendations which are not yet even made. We do not know what this commissioner will say.

Supposing, Mr. Speaker, we approved this bill, and the commissioner says in his report that from now on only Liberals will be employed on the docks. That could happen. It is just as reasonable to suggest that as to suggest anything else. We do not know what this man will recommend. The bill is asking parliament to legislate approval of the commissioner's report. It places the commissioner in an impossible position because any recommendation that he makes will become law at once.

With regard to the position of the government, I suggest that they made a deal with the company to guarantee legislative action to cut the work gangs. The minister admitted in his speech that that was one of the conditions. But the deal was not—

Mr. Nicholson: Would the hon. gentleman permit a question. Can he refer to any part of my speech where I said any such thing? Would it not be fairer to say that a reduction in gang strength might take place?

Mr. Muir (Cape Breton North and Victoria): I thank the minister for that correction. One would assume that that is going to happen. The minister said "might take place", but I leave it to hon. members and the people interested to draw their own conclusions.

I suggest that the deal was not fully explained to the union members. We have as an appendix to *Hansard* copies of all of the wires, statements and so on to which I have already referred, to the effect that the union was definitely not in favour of compulsory arbitration. Labour is against compulsory arbitration, as certainly it should be. If we in this house have any thoughts at all for the workingman, we should be against compulsory arbitration.

This legislation is compulsory arbitration. The company dictated the terms to the government, and the government is asking parliament, as another member said today, to rubberstamp these terms. This is bad law. It is dirty, mean, cheap law; but not cheap for the workers concerned: I think it will be expensive for them.

We do not know, Mr. Speaker, for what we are legislating. Did you ever hear of anything so ridiculous? The minister comes into the house with a bill and the government says they want it approved. But we do not know what we will be voting on. We do not know what is in the mind of the commissioner, who has not yet made his study. This is bad legislation in that it imposes compulsory arbitration and destroys the collective bargaining process. It is an example of a devious tactic by the government in making a deal with the company and not spelling it out to the union.

The minister would have us believe that those representing the union are not telling the truth. As a member of parliament, a supporter of labour and as a Conservative I feel that this makeshift, anti-labour type of legislation must be rejected, must be voted down. We should wait until the report is made, until we see what are the recommendations of the commissioner, and get the reactions of the company and of the men. Who knows, Mr. Speaker, there may be no necessity for any legislation. We cannot tell until we see the report, and as yet there is no report.

This kind of approach, which imposes settlement on terms which are not yet known, destroys faith in parliament and in the government—that is, if many people still have much faith in this government. One of the rights of labour is not to be considered guilty until proven guilty. Labour has rights and management has rights. This bill should certainly be held back. We should vote for the amendment moved by the hon. member for York South to refer the bill to a standing committee.

Before the dinner hour this afternoon we had the amazing spectacle of the minister of manpower, or the Minister of Citizenship and Immigration (Mr. Marchand)—whichever you prefer to call him—who is responsible for matters respecting labour in this country, in many respects coming out with what amounted to a defence of compulsory arbitration. Can you imagine, Mr. Speaker, that this hon. gentleman, with his long and excellent record in the labour movement, would make the speech he did this afternoon? I found it rather difficult to realize that he was making the type of speech that he was. He said he was not in on the negotiations, and I for one feel that he should have been. With his long experience and his good record he should have been in on the negotiations. If the Minister of Transport was, then we might as well have had some of the fat cats around, such as the Minister of Finance (Mr. Sharp), the "minister" from Davenport, and a few of these great champions of labour. We could have had them around. I am sure they would have worried about the union and the workingmen.

• (8:30 p.m.)

This afternoon the Minister of Citizenship and Immigration defended the government's action in this matter. He defended a procedure through which parliament is asked to make into law recommendations that are not yet revealed. Am I correct in assuming that the former union leader, now the Minister of Citizenship and Immigration, is saying that the present leader of the Canadian Labour Congress is not telling the truth? Would this be the right interpretation, I wonder? Would it be correct to assume, from the remarks that have been made, that the minister defended a situation where parliament is asked to impose the terms of a collective bargaining agreement between the parties, which have been arrived at by a government appointed commission?

The minister is defending the setting out of conditions dictated by the companies and approved by the Minister of Labour. As I have already said, I feel badly about that. I feel that the Minister of Labour is misdirected and misguided, because in his other portfolios he has done an excellent job of bailing out the Prime Minister and this government. Certainly, I hope that he will listen to reason and take another tack on this occasion.

One of the major points in dispute is the size of work gangs. This was the issue of most concern to the companies. The minister as I understand it, said that he would settle this question through the commission. Parliament would make the report of that commission binding, even without seeing it.

The unions categorically refused to reduce work gangs. Whether the unions were right is not the issue at the moment. The point is that the size of work gangs was one of the major matters between the parties. Through the companies' request the minister has removed this matter from the area of collective bargaining and made it a matter of compulsion. If there is any other interpretation than the one I mentioned I should like to hear it. Regardless of how long and how hard the Minister of Citizenship and Immigration shouted in this house this afternoon, I am

sure he did not convince me that compulsory arbitration was the correct or the right thing to do.

There is an old saying that when you have a weak case you have to shout. The minister was so loud that it was difficult to hear the translator, through the system.

Mr. Marchand: Complain about the translator and not about me.

Mr. Muir (Cape Breton North and Victoria): Could the hon. minister repeat that? I did not hear him.

Mr. Marchand: The hon. member should complain about the translator, and not about me.

Mr. Muir (Cape Breton North and Victoria): What a brilliant statement. That was great—great.

Mr. Sharp: It is like your brilliant speech.

Mr. Muir (Cape Breton North and Victoria): We have an interjection from this great Minister of Finance. What is your stand in this? Are you against labour? I would think you are.

Mr. Speaker: Order, please. Would the hon. member kindly address the Chair.

Mr. Muir (Cape Breton North and Victoria): Certainly, Mr. Speaker, I shall be glad to. But when there are objections from across the floor, as the volatile former minister of finance used to say: "When I am provoked, I must reply".

We have these great exponents of labour with us.

An hon. Member: Don't be deterred by rabbits.

Mr. Muir (Cape Breton North and Victoria): No. We have these Bay street boys, these potential leaders of parties. They will be great leaders for the labour movement. The labour movement will remember them.

At the companies' request, as I have already said, the minister removed this matter from the area of collective bargaining and made it a matter of compulsion. Does this represent collective bargaining, as it is understood by the Minister of Citizenship and Immigration? Is this his type of collective bargaining? Of course, the minister goes on to say that it all depends whether this sort of thing is what you want. It has been made clear in everything that has been said both during and after the negotiations, that the union was unalterably opposed to having an imposed settlement on this issue.

Mr. Douglas: They should send it to the committee, to find out.

Mr. Muir (Cape Breton North and Victoria): It should be sent to the committee. We would have an opportunity to find out what the union felt about this. As matters stand at the moment, we have the interpretation by the Minister of Labour of what others said, and what was to be thought of their statements at these gatherings. As the hon. member for York South (Mr. Lewis) said, in long, drawn-out meetings of this nature there is bound to be confusion and it is difficult to remember who said what, and who did not say something.

I therefore suggest to the minister, as others have, that the whole situation should be brought to the committee. Let us delve into it. Statements have been made by Mr. Jodoin and by Mr. Cutler. After the minister revealed the nature of this legislation, what do Messrs. Cutler and Jodoin say? They are uniformly opposed.

This afternoon the Minister of Citizenship and Immigration said that the Leader of the Opposition suggested a kind of compulsory arbitration to settle a rail strike in 1950. That is not correct. The Leader of the Opposition simply pointed out that the government had acted in a certain way. The minister, in his own words said that this was the worst kind of interference on that occasion. May I point out that the matter referred to was undertaken by a Liberal government under former prime minister St. Laurent. Certainly the matter was not similar to the one we are discussing, because at least labour on that occasion knew what it was getting.

I was deeply shocked by the stand taken by the Minister of Citizenship and Immigration, having for many years watched his activities in his former position, and having felt that there was much good in his stands on many, many occasions. I admire the work he did on behalf of labour. How can he tell Mr. Jodoin, Mr. Cutler, or the labour movement in this country: This is the best thing for you, because I say it is the best thing for you. That is what it amounts to.

I suggest, Mr. Speaker, that we vote down this legislation. It is mean; it is small, it does not represent our way of life, it does not represent the Canadian way of life. We do not like compulsory arbitration. Certainly

there are problems, but there must be another way of settling them. I for one will vote against this measure.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I find myself able to support the amendment to the bill for reasons different from what might be expected. I do not believe we should concern ourselves particularly about the truth of various versions of what went on in the negotiations, because no matter how many witnesses are called, or how many times we go through the various versions of what happened, we shall really be no closer to the truth than is the audience of Rashomon when it hears the final version of what happened in the bamboo grove.

I feel that we ought to concern ourselves with the terms of the agreement as presented in the appendix to *Hansard,* and with the bill itself. The hon. member for York South spoke of the government's responsibility to labour. Some of us, I think, are concerned with the government's responsibility to the entire country. The agriculture industry is periodically threatened by stoppages at various docks, which become increasingly crucial year by year. Small businessmen found themselves seriously hampered this year when the tourist season opened, and the wares they expected to have were tied up at the Montreal dock. As a result financial loss was suffered thousands of miles away from Montreal. There is a concern that goes far beyond the immediate in this type of dispute, and we have to concern ourselves with it.

• (8:40 p.m.)

The situation at the docks, like many other situations in this country, will have to be dragged into the twentieth century, and it will be dragged screaming very loudly. We can see that from listening to part of the discussion this afternoon.

I know how important it is to the government to be able to put the best possible face on this agreement because we have heard a great deal, even today, about holding the line. We know at least one group of Canadian citizens who are being asked to hold the line somewhat longer. In the light of inflationary tendencies we know that the settlement of the dispute at the Montreal dock was a real break with the policy to hold the line, and so it becomes very important to the government to be able to say: Yes, but look at what we got in return for that; we got at least our foot in the doorway leading to compulsory arbitration.

I do not profess to be a labour person, but I have been involved in salary agreement negotiations and I know how intricate, how prolonged and how tense this kind of negotiations can be. I have had the experience of having to go back to a large number of people and saying: "This is exactly what we agreed to do." I find it hard to agree that the long list of people who signed this agreement could have been so naive, so fresh, so new and so innocent that they would have allowed this clause with its "or otherwise" to stand throughout the agreement. Possibly unwittingly it is there.

I am sure that the people who negotiated know that the whole question of automating the docks will have to be faced some day, sooner or later. What the "or otherwise" does, and what this legislation does, is to take the job out of the hands of the people negotiating the agreement and put it into the hands of parliament. If passed, this legislation will let the government off the hook, but it will let the negotiators of the agreement off the hook as well.

On the other hand, if we look at the terms of the legislation we find that they are concerned with the size and make up of work gangs, but there is also a clause concerning the safeguarding of job security, and in both these cases we run into the problem of looking into the future and not knowing what the suggestions of the commissioner may be.

I do not feel that it is any task of parliament unknowingly to enshrine a feather-bed situation, which we could do if we were to bring in a redundancy fund. We could do that and clearly know, when we are doing it, that we are bringing in a redundancy fund for people removed from employment by automation. Let us be sure we are doing that, if that is what we are doing. On the other hand, if we are setting up compulsory arbitration—and it might not be a bad idea—let us be sure we are doing that. Or, if we are moving into the area of labour courts, where this question can be examined by a body separate from parliament, where a great deal of expertise can be built up over the years, let us be very clear that that is what we are doing. But let us not do it on the basis of this bill, and on the basis of the expression "or otherwise."

Here I am not questioning the veracity of the minister in the statements he made this afternoon. I have never found that personal attack or rudeness accomplished anything,

either in this sort of situation or in negotiations for salary agreements. I think we can face the legislation as it is before us, and reject it on other bases quite removed from the basis of personality.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, one of the things which impressed me about the minister's introduction of this bill was the length of the double-barrelled speech he delivered earlier today and the other evening when he first moved second reading. I know him well enough to believe he was making an attempt, to the best of his knowledge and ability, to present the house with a full, detailed account of the rather tumultuous events in which he was deeply involved, leading up to the point at which we now find ourselves.

The question of whether the minister's story was complete and told the whole events has been discussed by previous speakers. The point I would like to make is that the longer I listend to him the more convinced I became that he had so lost himself in the trees that he was not able to see the forest, and the fact that we have this obnoxious piece of legislation before us is because, in the course of being involved in these trees, the minister lost his sense of perspective in this whole matter. As a result, I feel that the minister and the government are asking parliament to compound a most grievous error in this whole field of labour-management relations, and the role of government and parliament in them.

The sequence of events covers quite an extended period, but certainly up to the time when this bill was announced no one in the house had serious reason to believe that the government had anything of this nature in mind. On June 9 the hon. member for Burnaby-Coquitlam (Mr. Douglas) addressed a question to the Prime Minister (Mr. Pearson) who, in reply, said he felt there would be an early break-through in negotiations and, as recorded at page 6173 of *Hansard*, said:

> We have not given up that hope. Judge Lippé is negotiating at this moment; we have been in touch with him during the last hour and we have not by any means given up hope that this serious issue will be settled very shortly by the processes of free collective bargaining and not by parliamentary direction.

Some hon. members, presumably on the government side, are recorded as having said, "Hear, hear".

[Mr. Johnston.]

• (8:50 p.m.)

Then the hon. member for Red Deer (Mr. Thompson) asked the Prime Minister (Mr. Pearson):

> In view of statements made last night in a national telecast regarding compulsory arbitration in this critical strike situation, what is the point at which the right hon. gentleman considers the national interest will take priority over the desire, now expressed in government policy, to refrain from interference with free collective bargaining?

Then Mr. Pearson is reported as saying:

> That is a matter for the government of the day and the parliament of the day to decide. It is a very important and very difficult matter to decide. It will have to be left to the responsibility of government and of parliament in respect of any particular situation. Meanwhile, I can say our decision on this matter is not made easier by the kind of press release the New Democratic Party issued this morning.

Then some hon. members again, presumably on the government side, are reported as having said "Hear, hear".

Mr. Speaker, reference already has been made to the statement of the minister when he announced the settlement of the dispute. I should like to draw attention to the reaction to the minister's statement on motions on June 14 by the hon. member for Burnaby-Coquitlam (Mr. Douglas), when he commented on behalf of this party. This I believe confirms the impression certainly that was in my mind, and so far as I know in the minds of all members of the house, with the possible exception of those who were privy to the discussions in cabinet. At page 6368 the hon. member to Burnaby-Coquitlam (Mr. Douglas) said:

> Thtre will be a sigh of relief across this country that the longshoremen's strike has now ended. I can assure the Minister of Labour and the Prime Minister that the members of this party are very happy that a solution has been found without the necessity of parliamentary intervention.

A little later at page 6369 of *Hansard* he goes on to say:

> I hope we will receive from the minister very soon some details as to the terms of the settlement. The minister mentioned, for instance, that he is going to set up a commission of inquiry to look into the question of the reduction of work gangs. While the minister uses the term "productivity", I take it from the statements made by the shipping federation that when they refer to productivity they are talking about getting the same amount of work done with smaller work gangs.
>
> I certainly have no objection to the idea of setting up a commission of inquiry to look into this matter, providing the decisions and recommendations of that commission are not binding upon both parties but are simply for the purpose of providing a basis upon which collective bargaining negotiations may continue. I hope the minister will give us some more information about that, perhaps when the orders of the day are called.

Well, Mr. Speaker, so far as I am concerned this assumption that was made on that day, on the strength of the minister's announcement that the inquiry commission was to follow the processes of free collective bargaining, continued until the minister burst this bombshell in the house. In view of statements which have been made persistently by members of the government and their supporters on that side of the house, I must say that it came as a great shock to me that this kind of action would be taken, particularly with the knowledge we have of the background of some of the members of this present government.

However, Mr. Speaker, I think all of us recognize that at the present time we are in the midst of a rather crucial situation within our economy, and that it is a responsibility of all members of the house to give some serious thought to just in what direction we should move, and what is the role of parliament and of government in the whole field of collective bargaining with particular reference to the questions involved in this period of rapid technological change. My own observation is that this question is at the root of most of the disputes which have been developing in recent times. I have had some experience of first hand participation in industrial warfare. So far as I am concerned it is a nasty, messy, rather inefficient way of arriving at a settlement of the issues which are involved.

There is a responsibility on parliament and on government to seek to find techniques which will eliminate the necessity in the minds of those in the industrial field, both on the side of management and on the side of the workers, to resort to this kind of action. I submit, Mr. Speaker, that this piece of legislation, which in my view has been hasty and ill conceived, will open up a real Pandora's box in this field, if it is allowed to receive the consent of this house for its passage. This will set a precedent, if it is passed, which some of the members of the present government certainly will live to regret. I would join with others who have spoken to ask the government to reconsider this request that they have placed before the house, no matter what may have been the commitments made by some of the members of this government in the heat of the moment, and indeed by the Minister of Labour (Mr. Nicholson) who, perhaps somewhat understandably in view of the great number of hours during which he was holding meetings, was lost among the trees in what admittedly was a very difficult and complex situation, and one which in many ways did involve the vital interests of the nation.

Mr. Speaker, I should like to recall to the attention of members of the house some remarks the minister made when he was introducing in the house in the month of May the estimates of the department for which he has responsibility. On May 27, as will be found at page 5631 of *Hansard* the minister is recorded as saying the following—and I am going to quote him at some little length because I believe what he had to say on that occasion is very relevant to the matter we now have before us:

> Before discussing even briefly the activities of the Department of Labour, having in mind the field of responsibilities that remain with it since January 1, I think it might be well if I made a very short statement about the general economic situation we have in Canada today, and more particularly about those aspects of this general economic situation which are of special interest to Canadian workers and employers.
>
> I would not be frank if I did not say to this committee that I, as minister, and my department, have been plagued with a flood of disastrous strikes over the past few weeks. These strikes all seriously threaten the Canadian economy, and I urge all members of this house, regardless of party, to apply their minds to this serious situation which threatens our basic economy. We should be applying our minds in an attempt to find some corrective formula or solution which will prevent matters from getting completely out of hand.

Mr. Speaker, I should like to say I agree wholeheartedly with that part of the statement the minister made when he was introducing his estimates. Then he goes on to refer to the situation in the province of British Columbia from which both he and I come. A little later on he makes reference to the more immediate situation which is involved in the question before us:

> We are faced with the situations that have been referred to in the last week, namely the dock strike in Montreal, the threatened strike in Air Canada, the railway problems and others which are particularly serious. I really think that we should apply our minds in an attempt to find some solution to this extremely grave situation.
>
> I have not been in this office long enough to be able to say whether the solution lies in the establishment of arbitration or of labour courts, such as those that have been set up in Australia and other countries of the world. The answer may lie in that kind of action because, while they have had divided success, on the whole they have been successful. I throw that idea out as something that merits the serious consideration of all members of this house and of all Canadians.

• (9:00 p.m.)

On May 27 the minister said he had not been in office long enough to be able to say

whether or not the solution lies in the establishment of compulsory arbitration, and he was referring to the dock strike at the St. Lawrence river ports. I do not know what happened in the interval between May 27 and now which enabled the minister to suddenly make up his mind, but apparently he has now had enough experience to suddenly decide that this kind of blunt instrument which he has put forward in this bill provides the solution to the problems he was outlining when he introduced the estimates of his department.

As I said earlier, I think the minister was confronted with serious problems, but the government and the Minister of Labour (Mr. Nicholson) dragged their heels far too long and have now pushed the panic button. This piece of legislation is the result. I agree with the minister's statement in introducing his estimates when he said we should give serious thought as members of parliament and as Canadian citizens to the solution of these problems. At that time I was somewhat concerned because of the minister's rather passing reference to the possibility of compulsory arbitration. I began to wonder at that time whether the minister was serious, and I must admit any fears raised in my mind at that time were allayed by the statements consistently made by members on the government benches regarding the desire and the intention of the government to adhere to the principles of free collective bargaining. It was my feeling that this reference by the minister was a passing aberration and not something that needed to be of immediate concern to hon. members in this house.

I did take seriously the minister's earlier suggestion that hon. members of this house address themselves to this question of how to settle industrial disputes of the kind he referred to on May 27. About that time I was absent from the house on a trip to Geneva and I spent a good deal of my travelling time reflecting upon the significance of the minister's statement. When I returned I was very pleased to discover that some of my colleagues in the New Democratic party, who had been here in the house during that period, had been giving serious consideration to this question.

As a result of that invitation the hon. member for Skeena (Mr. Howard) introduced a bill. He did not introduce it lightly, but as a result of a good deal of thought. It was introduced as a serious attempt to propose a constructive approach in dealing with problems of national consequence. As far as I am concerned, this type of bill should not be introduced lightly because, in effect it attempts to preserve the essential rights of free collective bargaining in every sense of that phrase, in situations where the national interest requires a resumption of certain operations upon which our economy is dependant.

The hon. member for Skeena proposed a bill at a time when we had reached a point where the St. Lawrence river ports were tied up. Apparently the Minister of Citizenship and Immigration (Mr. Marchand) has some serious doubts in his mind as to the solution of this problem. He has tried to pervert the intent of this bill and its meaning. He knows as well as I that the difference between compulsory arbitration, and the parliament of Canada saying to a group of workers that in the interests of Canada they must resume their activities, while continuing negotiations, is indeed great.

Had hon. members considered our proposal closely they would have realized that it includes a termination date, and that following that date, if the issues in dispute had not been resolved, the two parties involved would then be free to resume any other activities connected with arriving at a solution under the prevailing circumstances. In my mind this is not the desirable course of action for a parliament to take, but it is the kind of course that, under certain circumstances, becomes necessary. This course provides an alternative infinitely better than the one before us.

In my opinion the judgment of the Minister of Labour became warped under the pressure of events and this caused him to push the panic button. The problem at the nub of this whole situation is one which should not be resolved by the techniques proposed in this bill. As the hon. member for York South (Mr. Lewis) said earlier, this bill is a perversion of conciliation as intended by the Industrial Relations and Disputes Investigation Act, particularly in regard to the appointment of a commission of inquiry. This act is designed as a technique for resolving disputes resulting from technological changes. It was necessary because of a continued and persistent attempt by management of large industries in this country to maintain an archaic attitude toward the proper rights of management, in that collective bargaining is not a proper method of dealing with changes in job content, security of employees and the right to free meetings on a labour level.

From personal experience I know something about this archaic attitude. Before I became a member of this house I was involved in this sort of thing, on the side of unions and working people. The opportunity has presented itself for some personal reflection upon the issues involved. This kind of thing cannot properly be settled in the heat of a battle to arrive at a collective agreement. This is the kind of thing that can quite properly be the subject of an inquiry and the fact-finding analysis of a commissioner. If there is to be any real and permanent solution resulting from the findings of such a commission there must be an acceptance on the part of the parties involved. This will not result from an agreement obtained by threats jammed down the throats of the participants to the dispute.

• (9:10 p.m.)

That is the only way in which this kind of change can be brought about in a way which will tend to lessen the incidence of industrial disputes, unrest and dissatisfaction. I regret that instead of dealing with a bill of this kind we have not had from the Minister of Labour a bill which would implement in a broad way some of the principles enunciated by Mr. Justice Freedman in his report. Those kinds of recommendations and principles are applicable not only on the question of railway runthroughs but to other labour areas, and legislation based on them would become in effect a charter for the basic approach to negotiations in dealing with the rapidly changing industrial society in which we live.

We have had hints that the government has the report of Mr. Justice Freedman under consideration, but there is no suggestion in this bill that the commissioner in bringing in his binding report is to be activated or motivated in any way by the kind of principles enunciated by Mr. Justice Freedman.

Mr. Pickersgill: Mr. Speaker, I wonder whether I could ask the hon. gentleman a question. Has he read the terms of reference of the industrial inquiry?

Mr. Barnett: Yes, Mr. Speaker.

Mr. Pickersgill: Has he read the section relating to job security?

Mr. Barnett: Yes, Mr. Speaker, and having read them I stand by the remarks I have just made. As I understand them, the terms of reference do not give any general policy direction to the commissioner in respect of making his report. They do set out the points he is to take into consideration in arriving at his findings, but they do not include the kind of terms of reference that I understand are inherent in the report of Mr. Justice Freedman.

I do not know whether the Minister of Transport (Mr. Pickersgill) agrees with me, but I was trying to point out that there would have been a much happier situation in this house if we were considering and discussing the principles contained in the report of Mr. Justice Freedman, rather than being asked to adopt this kind of shotgun legislation to force a settlement that, for all we know, may simply mean that upon the termination of the agreement the whole matter will erupt into an open sore that will have been festering for the entire period of the agreement.

I do not suppose that consideration of this bill will be the end of this matter. I hope that the government, if they feel they made a commitment in the heat of these negotiations in respect of action along the lines the bill proposes, will consider that they have honoured that committment sufficiently by having placed this proposal before parliament and brought the bill to the point of second reading. But I would plead with the minister to at least agree to the kind of compromise proposal set out in the amendment now before the house. If this motion is adopted I submit it will do at least two things. It will have the practical effect of allowing the kind of discussion and representations referred to by some hon. members who spoke earlier in this debate. I suggest it will also enable the members of this house, through the committee, to be acquainted with and have knowledge of the findings of the commission before the matter came back to the floor of the house for final adjudication. It might be that if those findings were available and it could be established to the satisfaction of the members of the industrial relations committee that there were reasonable grounds, within the life of the agreement, for accepting the proposals, the house when it came back might be disposed to allow the passage of this bill, with the understanding that its effect was limited purely to the particular situation in respect of which the bill has been introduced.

If we allowed the bill to go through without this type of examination I submit we would be opening the door to this sort of approach being used as a quick and easy solution to every other problem that develops and appears to be serious. We will create the

kind of atmosphere wherein parties to a dispute will no longer feel there is much point in engaging in serious collective bargaining, because they will know that in any event the government will step in, appoint a commissioner under the Industrial Relations and Disputes Investigation Act and say: You are going to accept whatever the inquiry commissioner decides, regardless of your collective bargaining.

Just at the time members on the treasury benches have been lauding the fact that the government of Canada is introducing collective bargaining for those in the public service of this country, they come into the house with a bill that takes the feet right out from under the whole principle of collective bargaining. It makes the measure for collective bargaining in the federal service a hollow and meaningless thing.

Surely the Minister of Labour, the Minister of Transport, the Minister of Citizenship and Immigration (Mr. Marchand) and the other members of the government are able to see the implications of this piece of legislation and should not attempt to force the members of the house to accept this method as a quick and easy solution of a problem which the government found to be a difficult one.

Before I resume my seat, Mr. Speaker, I ask once again whether the Minister of Labour will not agree to accept the amendment that is before us, so that this whole matter may be considered in committee. If this were done we would perhaps have a better understanding of the whole situation, and in an atmosphere of good faith would be able to arrive at a meaningful solution to the problem this measure was introduced to solve.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have no intention of repeating the arguments that have been made in this debate, but I think a number of things have been overlooked in the negotiations carried on by the minister. I believe the reason they have been overlooked is in part due to the lack of experience of the minister in a field in which the situation is different from the fields of labour relations in which he has had experience. For this reason the minister may have been working under an extreme handicap. I believe there is another factor in respect of the negotiations in which the federal government has participated in this situation. The mediators the government engage on behalf of the Department of Labour are not particularly highly skilled, and do not command the respect that should be commanded by them and the department.

• (9:20 p.m.)

It has been demonstrated not only on this occasion but on others that a man of the calibre of the chief mediator whom we had in Ontario for four years, and who had reached international stature through his ability to bring parties together is not available in the federal department to be appointed to such a task. As a result, the negotiating parties faced the difficult negotiations which they have had to handle recently without the assistance they should have had and the minister had to handle more of the negotiations than would otherwise have been necessary.

I know that hon. members are getting restless, as they indicated earlier in the afternoon, and are already concerned about this situation which is backfiring, because if the terms of this legislation are carried out they will be bound by them and already they are faced with a wildcat strike. It appears to me that this situation will be duplicated in many other industries and the accomplishment which we thought had been achieved will be lost for some time as a result of this legislation.

I am surprised, Mr. Speaker, at the line taken by the Minister of Citizenship and Immigration. It is perfectly all right to split hairs regarding whether or not there has been agreement on the part of the workers or the management in the memorandum, but this matter really was not spelled out. However the agreements indicated the scope and field under which the parties were willing to operate. The terms of the memorandum of agreement lead to negotiations regarding the implementation of the actual contract and were generally accepted by labour and management as binding. I think the minister must have signed such memoranda of agreement. He will agree that there was an understanding that the terms in the memorandum would be adhered to by the two parties. I am sure he is aware of the difficulty that he would have in renegotiating the terms agreed upon and that he would have trouble with the parties because they would want to know the exact terms of the memorandum of agreement before ratifying it. This is often done before a contract becomes legal and binding.

The government may not realize it, Mr. Speaker, but they have now decided to interfere in what is really a family affair. They may find themselves in a position similar to

that of a family counsellor who after counselling a man and wife in a major dispute will never be their friend regardless of whether he has settled their difficulties. I therefore suggest that the minister should consider whether this agreement has in fact been accepted by both parties. If the government wishes to appoint someone to ascertain the role of automation in stevedoring and to do a time and motion study on the amount of productivity that can be achieved with the least number workers, they will have to obtain the co-operation of these people. I suggest their efforts will come to nothing if the union decides to sabotage this agreement without really objecting to this inquiry. The government will find that the job classification which will have to be undertaken will not be successful.

I believe there are many hon. members on the other side of the house who will be voting with the government because of their membership in the Liberal party and regardless of their duty to the people they represent. I know there are many members on that side of the house who have a labour background but when we hear a man as highly esteemed by the labour movement as the Minister of Citizenship and Immigration indicating to the house that he also has feet of clay and putting political support above his conscience, even though he said this afternoon that he is violently opposed to compulsory arbitration he will have to speak long and loud to justify the fine line he is drawing in this type of legislation.

There are many members who should take a look at what this legislation will mean in the future because if this bill is passed it will be easy to duplicate and the need for the Department of Labour will no longer exist because all the government will have to do is to legislate. All those who have been closely connected with labour will find that laws can be passed against labour but they will not be accepted.

Look at the laws against labour which have been passed in the province of Quebec and those which have been passed in the province of Ontario, particularly in the municipal field. They have not accomplished what they were supposed to achieve. If some hon. members doubt this, how do they explain that in spite of the existence of specific municipal legislation a police strike has taken place and there is a threatened strike of hospital workers even though they do not have the right to strike? Labour legislation can only be applied if it is just and it is only in that case that it will be accepted. If those to whom it is applied do not feel it is just and warranted, then they will not operate under it. I am not suggesting they will break the law but I am sure they will look for many ways of circumventing its terms.

I wonder, Mr. Speaker, why some cabinet minister did not propose legislation to the house when we appointed the commmission on biculturalism and bilingualism which did not receive a great deal of attention from any hon. members until it had reached the stage of an obsession? I wonder why we did not pass a bill implementing the terms of the report of the commission on biculturalism and bilingualism and make that report part of our legislation? It seems to me just as silly to ask someone to investigate a situation the full implications of which are not understood either by labour or management.

I think that quite an extensive intestigation regarding automation in this industry will have to be carried out before this legislation will receive the co-operation of those concerned. Yet we are now being asked, before even seeing the report of the commissioner, to legislate the terms of an agreement. I do not know what is the reason behind this thinking. I would have no objection if the minister would stand up in the house and ask us to look into the whole matter of automation, not only as it affects this industry but any other industry.

• (9:30 p.m.)

Yes, Mr. Speaker, we might some day decide that legislation could overcome some of the limiting factors to the freedom of the indiviual and the security he may have at present under contract. Companies may find some advantages in automation that may be modified by legislation. However, let us not do this to one, small segment of an industry by legislation before the facts are known.

I can recall a strike situation in which I went out to raise money for bail for people even though they had not yet committed offences. I did so because there had been a number of assault and battery charges laid and I had to raise bail for those people. When I came back to the office with a number of deeds I had pledged, the hon. member for York South (Mr. Lewis), who was our legal counsel, gave me quite a lecture. He told me I was not supposed to get bail pledged for offences that had not yet taken place. Well, we are doing the same thing in this instance. I did not see anything wrong with it. I did

not understand the legal implications. I had spent half the night arranging bail for those who were in jail, so the next day I decided it would be better to arrange bail before the offences occurred.

I think it is a particularly dangerous principle we are adopting here. I believe it is one which will backfire not only on the government but on the operations of the Department of Labour with regard to their conciliation and mediation services. No one is going to trust them. I am not prepared to say the union did not know this was going to happen. I have negotiated many times and I know that quite often one says, if you go ahead it is your responsibility but we will go along with it. I have done this myself on a number of occasions. I am not saying it is or is not this way. Surely, however, we have a bigger responsibility to the over-all process of federal mediation and conciliation than to jeopardize it by the settlement of this strike in this way. In my opinion it will not be settled at all if the workers are not agreeable to accept the inquiry in a reasonable manner. There will really be nothing but trouble come out of it, as is already evident since the companies are saying they are going to apply the terms of this bill to the workers in Hamilton.

I know the minister did not intend this to happen. However, the workers in Hamilton are already on strike by reason of the fact they have been threatened in this manner. They are taking what they would call precautionary measures. I believe that this type of action may not accomplish what the minister wants to accomplish. For this reason I hope that the amendment, which is a good one, will be considered by the minister. Personally, I would be much happier if the minister would tell us he was not going to ask for third reading of this bill. He has fulfilled his commitment. I believe that if the matters into which the commissioner is inquiring can be negotiated by the two parties it would be foolish to have the federal labour department intervene. If the situation again became critical, then the minister could bring the bill forward for third reading. I believe it would be easier for conscientious members, even those in the minister's own party who have a background in labour matters, to support the bill then. People like myself who have had a background in labour relations are terrified of the idea of the government providing for compulsory arbitration and in effect eliminating the process of negotiation between labour and management.

[Mr. Peters.]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I will not detain the house long. I want to make three points very briefly. The first point is that this legislation demonstrates the government's sense of priorities. Yesterday the government told us that there was not time to sit a few days longer to discuss medicare, something to which the government is committed, something which the Prime Minister (Mr. Pearson), the government house leader (Mr. McIlraith) and the Minister of National Health and Welfare (Mr. MacEachen) have all said would be dealt with before a summer recess. We have not time to deal with medicare. Members are going to be on their way in a very short time to their constituencies, leaving the whole question of medicare up in the air. However, the government has ample time to deal with legislation imposing compulsory arbitration. I think the significance of that sense of values will not be lost upon the people of this country.

We are also going to leave without having done anything about additional help for old age pensioners. We had a statement from the minister today but that statement was notable for the fact that he carefully avoided setting any effective date. When I asked the minister about it he said we would find out the effective date when we saw the legislation. The old age pensioners, therefore, cannot look forward to any immediate assistance despite the fact they were promised that additional legislation would be brought in to help them. These important matters can be shelved but, according to the government, the legislation to impose certain conditions upon the dockworkers of Montreal, Quebec and Trois-Rivières must be dealt with.

The second point I want to make, Mr. Speaker, is that I am opposed to this legislation because I think it is an attempt to cover up the fact that the government has misled both the country and parliament with regard to the whole labour dispute between the Canada Shipping Federation and the International Longshoremen's Association. Hon. members know that the basic dispute did not have to do with wages. The employers offered wage increases which were acceptable to the workers. What was not acceptable was the condition attached to the offer of increased wages. This condition was a reduction of the work gangs.

The minister can use the euphonious term "increased productivity", but what was meant

was the same amount of work from less men. The union was concerned because the men who were likely to be laid off were men up in years who, if they were fired, would not only lose their jobs but in many cases would lose their pension rights. This was the real cause of the dispute. It was for this reason that we, in this party, felt if both parties could settle the wage question, about which there was no quarrel, the matter of the reduction of the work gangs could be left first to an investigation by the commissioner under the Industrial Relations and Disputes Investigation Act and subsequently to collective bargaining on the basis of the facts produced by that inquiry.

I want to draw attention to the attitude which the government took with regard to our proposal. On Thursday, June 9, as recorded at page 6173 of *Hansard*, I asked the Prime Minister, first, if he had any substantial hope of an early settlement and, second, if he had not would he give consideration either to advancing the bill of which the hon. member for Skeena (Mr. Howard) had given notice or introducing a bill which would contain provision for a settlement without imposing compulsory arbitration. The Prime Minister replied as follows:

> Contrary to what the hon. member has suggested, and to what was suggested in the press release I have received from the New Democratic Party to the effect that there is no hope of an early breakthrough, there is hope of success in the negotiations.
>
> • (9:40 p.m.)
>
> We have not given up that hope. Judge Lippé is negotiating at this moment; we have been in touch with him during the last hour and we have not by any means given up hope that this serious issue will be settled very shortly by the processes of free collective bargaining and not by parliamentary direction.

Those are brave words, Mr. Speaker. What is the bill before us now but parliamentary direction? This is parliamentary imposition of a requirement which was demanded by the shipping federation and opposed by the union. This is typical of the Liberal party, which is always unctuous in the proclamation of its principles but is always prepared to sabotage its principles when it comes to their specific application. A government that was not going to have any parliamentary direction is now asking us to take parliamentary action, not to require the parties to bargain collectively, but to require the union to accept the findings of a commission which has not yet brought down its report.

If the government wanted to do that they should have told parliament and the country what they were doing. Unless the house insists I will not take the trouble to quote all the *Hansards* which I have here. But the fact is that when the minister announced the settlement on June 14, he made no mention whatever of the fact that the findings of the commissioner appointed under the Industrial Relations and Disputes Investigation Act were to be binding. When he made his report to the house regarding the appointment of the commission there was no suggestion that the findings were to be binding. The government is now trying to tell us that the reason it did not make this announcement was that the union agreed to do this, but that they did not want it made public too soon.

The Minister of Citizenship and Immigration (Mr. Marchand) surprised me this afternoon with the speech he made. He has a very logical mind and whenever he indulges in sophistry I know that he is on weak ground and that he is all too conscious of it. He is also a very experienced and renowned labour leader. But when I listened to his sophistry this afternoon I began to realize the corrosive and seductive influence of sitting in the seats of the mighty. Because here is what the minister, in essence, said. He began his speech by saying that compulsory arbitration is not uncommon. Then he proceeded to tell us that this bill is not compulsory arbitration. He ended up by saying: Well, one swallow does not make a summer; we must not assume that compulsory arbitration will be the general policy of the government.

The minister sought to show that the union were really very happy about this imposed compulsory arbitration. I want to point out that if the union were agreeable to compulsory arbitration, there is no need for this legislation. Both sides could have put into the collective bargaining agreement the provision that they would submit this matter either to an arbitration tribunal or to a commissioner set up by the government, and that both would accept the findings of that commission. If they were both agreed there was no need for this legislation.

Mr. Marchand: Would the hon. member allow me. I never said that it was not binding arbitration. It is definitely binding arbitration. The problem is to know whether it is binding arbitration based on the will of the parties or on the legislative action of this parliament alone.

Mr. Douglas: I agree wholeheartedly with the minister. The issue is whether this legis-

lation represents the will of both parties or whether it is merely because the Minister of Labour and the Prime Minister (Mr. Pearson) made a commitment to the Canadian Shipping Federation. There is only one way we can find out, and that is for the government to accept the amendment moved by my deskmate, the hon. member for York South (Mr. Lewis), and let this matter go to a committee of parliament and allow the parties concerned to come before representatives of this house and tell them whether or not this is their will.

The minister said that the I.L.A. officials were agreeable to this. Does he know that of his own knowledge? Did he sit in on these discussions? Of course not. What he tried to do, instead, was to argue that the union did not mind this legislation, but that for purposes of public consumption they had to appear to oppose it, and therefore there was no disagreement from the union. He suggested that since the federation wanted this legislation there was no reason why this house should not pass it.

Surely, Mr. Speaker, if the union is not opposed to this legislation, then we do not need the legislation. The purport of this bill can be incorporated into the collective bargaining agreement. If they are opposed, then we should not be passing this legislation. If they are in agreement with it but do not want to accept it of their own volition, then I would ask why the government should require this parliament to go through the farce of passing legislation for two disputants who want compulsory arbitration, but want to have it imposed upon them. If the minister is serious about what he said this afternoon, then let me repeat that part of his speech where he said that the nub of this question is: Does this legislation represent the will of the two parties concerned? That is the whole issue. We do not know whether it does represent the will of both parties.

The very best that the minister has been able to tell us is that the union counsel said: Well, it was the government's responsibility and if the government passed the law, then the union would obey it. That, Mr. Speaker, is what any good Canadian would say. That is what I would have to say. If this parliament passes a law, then I have to obey it. I may disagree with it; I may agitate to get it changed; but as long as it is the law of the country I have to obey it. However, to say that because the union admitted that it would have to obey the legislation means that it agreed to the legislation is a distortion of the facts. The Minister of Citizenship and Immigration and the Minister of Labour ought to know that the union has denied saying that they were in agreement with this legislation.

We in this party, Mr. Speaker, are not only opposed to compulsory arbitration in this particular instance; we are opposed to compulsory arbitration on general principles. In a free society we have no right to impose by law the conditions under which a person will sell his labour. Everyone agrees that we have reached the stage in our modern society when we must try to find some alternative to strikes. Strikes have largely become an outmoded weapon. There is not time to discuss that subject now, but it is the question that we ought to be tackling—the whole problem of how we cope with automation in a technological society without periodic strikes and economic dislocation. That is a big subject, but certainly the answer does not lie in compulsory arbitration.

• (9:50 p.m.)

I want to tell the minister that he aroused a lot of fears across Canada when he was piloting his estimates through the house by his speech suggesting compulsory arbitration and labour courts as a possible way of dealing with labour disputes. Following close upon that we now have his introduction of legislation providing for compulsory arbitration with respect to dockworkers in Montreal, Quebec and Trois-Rivières.

I say to the government that they have set their feet along a dangerous path. Does the government think it can stop the effects of the precedent involved in this particular piece of legislation? Already the Canadian Shipping Federation is taking the position in Hamilton and Toronto that the findings of the commissioner who has been appointed shall not only be binding upon employees in Montreal, Quebec and Trois-Rivières but also in other places.

Mr. Nicholson: Would the hon. gentleman permit a question?

Mr. Douglas: Yes.

Mr. Nicholson: With respect to the position taken in the instance cited, was it not agreed by both parties that the men would go back to work in the Hamilton area on the strength of what might be decided by the commissioner in the St. Lawrence ports dispute? Was that not what was agreed to by both parties?

Mr. Douglas: Exactly. May I point out two things to the minister. First, the federation has insisted on using the very legislation the minister is now asking us to pass as a lever to blackmail the employees into accepting that position. Second, the fact that we have a wildcat strike on now, in protest, is an indication of how the employees feel.

I want to point out another thing to the minister. Irrespective of the legislation which is passed, if the commissioner brings down findings that are totally unsatisfactory, does the minister think there will be peace on the waterfronts of this country? In the long run the only way we will resolve problems such as reduction of work gangs and whether men may be thrown on the human scrap heap without adequate security will be by negotiation and not by having an imposed solution.

I say to the government that this is a dangerous precedent which they are establishing. So far as this party is concerned I wish to give notice here and now that we shall not be a party to this precedent and that we shall oppose with all the legitimate resources at our command any attempt in future to extend compulsory arbitration to other areas of the industrial complex of this country.

I urge the minister and the government, before it is too late, to do the one thing which would be absolutely fair. I urge them to accept the amendment which has been moved by the hon. member for York South (Mr. Lewis) and let this legislation go to the committee on labour and employment in order to allow all parties to appear. If it can be ascertained then, as the Minister of Citizenship and Immigration says, that this legislation represents the will of both parties, the house can decide whether it wants to pass it.

Surely it is unfair for the government to ask us in the dying hours of this part of the session to pass this legislation when we have no knowledge officially of what the longshoremen's position is with respect to it. We know the views of the Shipping Federation. They are in favour of the legislation. We think that the men have a right to be heard. If the government turns down this amendment, what it is saying is that on the basis of the demand of the Shipping Federation, without giving members of parliament the right to consult with the union, this legislation is going to be put on the statute books in spite of everything we can do to stop it. If the government takes that position the people of this country will know where the Liberal party stands with respect to the rights of workers and the right of free collective bargaining.

Some hon. Members: Hear, hear.

Mr. Starr: Question.

Mr. Deputy Speaker: The question is on the amendment to the motion.

The house divided on the amendment (Mr. Lewis) which was negatived on the following division:

• (10:00 p.m.)

YEAS

Messrs:

Alkenbrack	Kindt
Barnett	Knowles
Beaulieu	Korchinski
Bell (Carleton)	Lewis
Bell (Saint John-Albert)	Loney
Bower	MacInnis (Mrs.) (Vancouver-Kingsway)
Brand	McKinley
Brewin	Mather
Cameron (Nanaimo-Cowichan-The Islands)	Moore (Wetaskiwin)
Churchill	Muir (Cape Breton North and Victoria)
Code	Nasserden
Crouse	Nowlan
Danforth	Nugent
Dinsdale	Peters
Douglas	Régimbal
Fawcett	Schreyer
Forrestall	Sherman
Gilbert	Southam
Grills	Starr
Hees	Thomas (Middlesex West)
Horner (The Battlefords)	Winch
Howard	Winkler—46.
Irvine	
Johnston	

NAYS

Messrs:

Allmand	Laing
Andras	Langlois (Chicoutimi)
Badanai	Laprise
Batten	Laverdière
Béchard	Leblanc (Laurier)
Byrne	LeBlanc (Rimouski)
Cadieux (Terrebonne)	Lessard
Cameron (High Park)	Macaluso
Cantin	MacEachen
Caron	Mackasey
Choquette	McNulty
Comtois	Marchand
Drury	Mongrain
Duquet	Munro
Godin	Neveu
Granger	Orange
Gray	Pearson
Habel	Pelletier
Harley	Pennell
Honey	Pickersgill
Hopkins	Pilon
Hymmen	Prud'homme
Isabelle	Reid
Klein	Richard

Rideout (Mrs.)
Rinfret
Roxburgh
Sharp
Stafford
Stanbury
Tardif
Tucker
Turner
Wahn
Watson (Châteauguay-Huntingdon-Laprairie)
Winters—60.

• (10:10 p.m.)

Mr. McCleave: Mr. Speaker, I was paired with the parliamentary secretary to the Prime Minister, the hon. member for Mount Royal (Mr. Trudeau).

Mr. Nicholson: Mr. Speaker, I found myself in the awkward position of not being able to vote against an amendment to a bill that I introduced because I was paired. Had I voted I naturally would have voted against the amendment.

Mr. Speaker: The question is on the main motion. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Starr: No bell; call the vote.

Mr. Speaker: Is it agreed that there be no bell?

Some hon. Members: Agreed.

Mr. Speaker: And that there be a vote?

Some hon. Members: Agreed.

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

YEAS

Messrs:

Allmand
Andras
Badanai
Batten
Béchard
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantin
Cardin
Caron
Choquette
Comtois
Drury
Duquet
Godin
Granger
Gray
Habel
Harley
Honey
Hopkins
Hymmen
Isabelle
Klein
Laing
Langlois (Chicoutimi)
Laprise
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Lessard
Macaluso
MacEachen
Mackasey
McNulty
Marchand
Mongrain
Munro
Neveu
Orange
Pearson
Pelletier
Pennell
Pépin
Pickersgill
Pilon
Prud'homme
Reid
Richard
Rideout (Mrs.)
Rinfret
Roxburgh
Sharp
Stafford
Stanbury
Tardif
Tucker
Turner
Wahn
Watson (Châteauguay-Huntingdon-Laprairie)
Winters—62.

NAYS

Messrs:

Alkenbrack
Barnett
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Brand
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Churchill
Code
Crouse
Danforth
Dinsdale
Douglas
Fawcett
Forrestall
Gilbert
Grills
Hees
Horner (The Battlefords)
Howard
Irvine
Johnston
Kindt
Knowles
Korchinski
Lewis
Loney
MacInnis (Mrs.) (Vancouver-Kingsway)
McKinley
Mather
Moore
Muir (Cape Breton North and Victoria)
Nasserden
Nugent
Peters
Régimbal
Schreyer
Sherman
Southam
Starr
Winch
Winkler—43.

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

On clause 2—*Definitions.*

Mr. Barnett: I should like to make particular reference to clause 2 (b) which deals with the definition of a commission. Would the minister explained to the committee what, to me, is a very apparent discrepancy in the interpretation section of the act, because it suggests that a commission means an industrial inquiry commission appointed under the Industrial Relations and Disputes Investigation Act.

I think this question was raised during the discussion on second reading of the bill. It was pointed out that section 56 of the Industrial Relations and Disputes Investigation Act, which has to do with the appointment of an industrial inquiry, makes it clear that the commissioners appointed under that act are appointed purely for the purpose of making an investigation and reporting upon the facts. I should like the minister to at least make an attempt to explain this obvious inconsistency to me, the making of a reference to a commission in a measure of this kind which, in my view, is being employed for a purpose which is contrary to the principles embodied in the Industrial Relations and Disputes Investigation Act.

Mr. Nicholson: There would be no necessity for this Bill No. C-215 if it were not to complement the Industrial Relations and Disputes Investigation Act. While technically this is a substantive measure, it is, in effect, an amendment to that act.

Mr. Bell (Saint John-Albert): I know the minister made reference to other ports, but I should like to get a quick answer about the effect of this legislation on other ports that may come under its jursidiction. For example, if the federation or the I.L.A. in the port of Saint John were dissatisfied with these agreements, do we have to go through this whole business again?

Mr. Nicholson: Not at all: this measure relates to these three specific ports. If, as a result of this legislation, the collective agreement between the unions in those ports and the Shipping Federation resulted in better conditions for the union, then I understand that with regard to Halifax the people would automatically get the benefits of any improved benefits in Montreal. I cannot say definitely about Saint John.

Mr. Bell (Saint John-Albert): In other words this agreement, as it affects Montreal, would probably set the pattern for the others?

Mr. Nicholson: It is not a case of setting a pattern. I believe there is a definite agreement with the unions in Halifax, and a partially negotiated agreement with Saint John, that any additional benefits that might be granted to the unions in the three ports on the St. Lawrence would automatically apply to Halifax, and I believe Saint John, but I cannot say definitely.

Clause agreed to.

On clause 3—*Incorporation in collective agreements of recommendations of commission.*

Mr. McCleave: I should like to point out a problem to the committee which I hope the minister will be able to correct by a simple amendment. There is here a possibility of error when one person is entrusted—

Mr. Barnett: I rise on a point of order, Mr. Chairman. Are we still discussing clause 2?

The Chairman: No, clause 3.

Mr. Barnett: When you were asking about clause 2 carrying, I said no.

The Chairman: I apologize to the hon. member, but I did not hear him.

Mr. Bell (Carleton): And nobody else did, either.

Mr. McCleave: I was pointing out that since this is a one-man operation there is a danger of human error in the report. However, on the happening of certain events set forth in clause 3, the findings of the commissioner automatically become part of the collective bargaining agreement.

• (10:30 p.m.)

I suggest to the minister that he might put in the safeguard that the parties would have, say, a period of ten days to state objections to the report of the commissioner to give him the opportunity to revise his report within that framework, or to reject their contentions. I think that that is the only way we can avoid the possibility—I am not saying it is a great one but it is I think there—that there could be a mistake in his report and that it could be incorporated, by the bill we are now considering, into the agreement between the two parties.

The Chairman: Shall clause 3 carry?

Mr. McCleave: I think the minister was going to reply to the point I was making.

Mr. Nicholson: Mr. Chairman, the clause says:

> Forthwith on the receipt by the Minister of Labour of the report of the Commission, the Minister of Labour shall cause copies...to be furnished—

And so on. It is not to be presumed that the minister is going to defy a statute, but certainly the fact the bill provides for the presentation of the report to the minister implies that he will be given time at least to

read it and discuss it with the commissionner, if necessary before it was finalized, so as to guard against the situation mentioned by the hon. member.

Mr. McCleave: I do not think the minister is correct in his conception of the operation of this report. This is clearly set out in the clause. The actual words are:

—cause copies of the report to be furnished to the Federation and to the Union, and thereupon each collective agreement—

And so on. So that at the magic instant that the report is furnished the collective bargaining agreement becomes fastened with the report of the commissioner.

Mr. Nicholson: All I am saying is that at least the minister should read the report before he sends it on. He will have a chance to look at it.

The Chairman: Shall clause 3 carry?

Some hon. Members: No.

Clause agreed to: Yeas, 52; nays, 32.

On clause 4—*Form in which conclusions to be set forth.*

Mr. Bell (Saint John-Albert): Mr. Chairman, how many collective agreements are apt to be included? I understand there is the one basic collective agreement that was signed on that fateful Saturday night. Will there be others?

Mr. Nicholson: Terms of settlement were signed by representatives of the six unions involved. It is contemplated that there will be, in the terms of settlement, agreements with each of the six unions.

Clause agreed to: Yeas, 55; nays, 36.

On clause 5—*Saving provision.*

Mr. Peters: Mr. Chairman, I notice that the title of this clause is "saving provision". I should like to know whether the minister is being facetious in putting this in. If this clause can apply, then surely, should it not be the first clause in the bill? The clause appears to say that if there is voluntary agreement on the parts of both employees and employer, then the agreement will be added, under this clause. This, I think has been the crux of a large part of the argument, namely that if this clause would work, if there is any possibility of its working, then what is contained in it should be implemented, or should be carried out before the bill becomes effective,

[Mr. Nicholson.]

so that the bill does not come into operation until clause 5 has had an opportunity to work.

I think the minister should give consideration to putting a waiting period of at least a couple of weeks into the bill, so that this clause can apply, after which the bill shall apply. Doing that would eliminate what most members on both sides of the house believe may happen in a compulsory arbitration of this nature. The problem will be eliminated if the saving provision could apply. There ought to be a time lag, to allow this clause to be implemented, before the bill as a whole comes into operation.

Mr. Nicholson: Mr. Chairman, I must confess that the question raised by the hon. member for Timiskaming has been raised by one or two of my colleagues. That clause is included because you can amend an agreement by legislation, but unless there is authority, by legislation, to amend an agreement subsequently that cannot be done.

This clause is put in to permit discussion and possible variation, if the parties are able to agree on something after the reports are brought down. The justice department advises that it should be put in for that reason.

• (10:40 p.m.)

Mr. Peters: Is the minister indicating that there will be a codicil attached to the signed contract, implemented by the legislation without the signing parties being involved?

Mr. Nicholson: I can give an example. With regard to the Trois-Rivières union that is affected, its work gangs are considerably less than the 18 that are involved. There might be some report with regard to the reduction of work gangs, and it might be necessary to amend the agreement with that particular union, or with any one of the six unions concerned.

Clause agreed to: Yeas, 58; Nays, 35.

On clause 1—*Short title.*

Mr. Peters: I would suggest that the minister take out the words "it is in the national interest."

An hon. Member: Read the clause.

Clause agreed to: Yeas, 58; nays, 39.

On the preamble.

Mr. Peters: I am on the right section now. I would suggest to the minister that he withdraw the words "it is in the national interest" and substitute other more suitable words.

Mr. Nicholson: Mr. Chairman, from the standpoint of the hon. member and his colleagues I would have thought these were very good words. They were in the press release in regard to the bill that was proposed to be introduced by the hon. member for Skeena.

Mr. Lewis: Mr. Chairman, if the Minister of Labour wants to revive the debate, we will be very pleased to accommodate him. This is not the kind of comparison he ought even to suggest to the committee. He knows perfectly well that the other bill was an entirely different thing. He could have had his preamble without this presumptuous suggestion that the deal which he made with the Shipping Federation is in the national interest. Do not let him try to run away from this kind of atrocious language and refer to something that never has been before this committee or the house.

Mr. Nicholson: Mr. Chairman, with regard to the statement I made this afternoon, in the course of debate I expressed the opinion that the government was prepared to take its responsibility and that it felt, in view of the fact that the strike had lasted for a period of five weeks, that it was essential that the strike be brought to an end. The course we agreed upon in the national interest was this particular bill. We feel it is in the national interest and that is the reason the words are in the preamble.

Mr. Lewis: In the national interest to end the strike but not to bring in this bill.

Mr. Howard: Would it be in the national interest if one of the locals of the longshoremen decided to take some action to become de-certified; would that be in the national interest?

Mr. Nicholson: It is an academic question with which I would not wish to deal at this time.

Preamble agreed to: Yeas, 59; nays, 39.

• (10:50 p.m.)

The Chairman: Shall the title carry?

Some hon. Members: Carried.

Some hon. Members: No.

Title agreed to: Yeas, 58: nays, 36.

The Chairman: I declare the title carried.

Shall the bill carry?

Some hon. Members: Carried.

Division

Some hon. Members: No.

Bill agreed to: Yeas, 58: nays, 38.

The Chairman: I declare the bill carried.

Shall I report the bill?

Some hon. Members: Agreed.

Some hon. Members: No.

Bill reported: Yeas, 59: nays, 35.

Mr. Nicholson moved the third reading of the bill.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Allmand	Klein
Andras	Laing
Badanai	Langlois (Chicoutimi)
Batten	Laprise
Béchard	Laverdière
Byrne	Leblanc (Laurier)
Cadieux (Terrebonne)	LeBlanc (Rimouski)
Cameron (High Park)	Lessard
Cantin	Macaluso
Cardin	MacEachen
Caron	Mackasey
Choquette	McNulty
Comtois	Marchand
Drury	Mongrain
Duquet	Munro
Godin	Neveu
Granger	Orange
Gray	Pearson
Habel	Pelletier
Harley	Pennell
Honey	Pépin
Hopkins	Pickersgill
Hymmen	Pilon
Isabelle	Prud'homme

Reid	Tardif
Richard	Tucker
Rideout (Mrs.)	Turner
Rinfret	Wahn
Roxburgh	Watson (Châteauguay-Huntingdon-Laprairie)
Sharp	Winters—61.
Stanbury	

NAYS

Messrs:

Alkenbrack	MacInnis (Mrs.) (Vancouver-Kingsway)
Barnett	McIntosh
Beaulieu	McKinley
Bell (Carleton)	Mather
Bell (Saint John-Albert)	Moore
Brand	Muir (Cape Breton North and Victoria)
Churchill	Nasserden
Code	Nugent
Crouse	Pascoe
Dinsdale	Peters
Douglas	Régimbal
Fawcett	Schreyer
Forrestall	Sherman
Hees	Southam
Horner (The Battlefords)	Starr
Howard	Watson (Assiniboia)
Kindt	Winch
Knowles	Winkler—39.
Korchinski	
Lewis	
Loney	

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

• (11:00 p.m.)

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

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

That it is expedient to introduce a measure to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies in amounts not exceeding, in the calendar year 1965, the amount of $161,600,000, and not exceeding, in the calendar year 1966, the amount of $192,000,000; and to make, in the calendar year 1967 prior to the 1st of July, 1967, certain capital expenditures, by way of investing in the securities of Air Canada, not exceeding $126,000,000 and certain other capital expenditures toward the acquisition of equipment, additions and conversions not exceeding $90,000,000; to provide for the financial requirements of Air Canada in an amount not exceeding 50,000,000, either by means of loans from Her Majesty to the National Company or by means of issues of securities of the National Company, authorized and guaranteed as to interest and principal by Her Majesty, the cash proceeds by either method to be used only for the financial requirements of Air Canada, the capital needs of the National Company itself being met entirely through the sale of preferred stock to Her Majesty and from reserves from depreciation and debt discount; to authorize Her Majesty to continue to purchase until December 31st, 1967, Canadian National Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues of the Company; to extend until December 31, 1967, the moratorium on interest on the loan of $100,000,000 to the Company authorized by the National Railways Capital Revision Act of 1952; to authorize Her Majesty to make loans to the Canadian National Railway Company and Air Canada to meet deficiencies in operating reserves to June 30, 1967, any such loans to be repaid from revenues of the Railway Company and Air Canada or, if revenues prove insufficient, by subsequent deficit appropriation by Parliament.—*The Minister of Finance.*

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

Resolution reported and concurred in.

Mr. Pickersgill (for Mr. Sharp) thereupon moved for leave to introduce Bill No. C-229, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1965 to the 30th day of June, 1967, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read the second time?

Mr. Peters: It is going to be ten o'clock unless the government moves the motion for adjournment. They had better make up their minds.

Mr. Starr: I think we agreed with the acting house leader that this was as far as we were going to go with this measure. I believe that was all that was requested.

Mr. Speaker: Next sitting of the house.

BUSINESS OF THE HOUSE

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I should like to seek the indulgence of the house to get permission to suspend the business of the house until the call of the Chair later this evening while proceedings are being conducted in the other place. May I also at this moment be permitted to express the sincere thanks of the government to all hon. members for their conciliatory spirit and co-operation during this session.

Some hon. members: Oh, oh.

Mr. Pennell: I say this with a full measure of sincerity. I recognize the right of hon.

members on the other side of the house to make their position clear. I may say that this has been a very productive session as a result of the co-operation of all hon. members. Thus far we have given full legislative sanction to 43 bills plus a further 7 appropriation bills. In addition to these items which have been fully completed, the house has dealt with the introductory stage of 15 more bills, several of which are undergoing detailed study by standing committees of the house.

We have spent 47 days dealing with supply. Approximately 30 of the 47 days were spent in discussing the old estimates for the fiscal year 1965-66. The house has completed three of the four supply motions respecting this year's spending, and we have spent about 12½ days on this year's estimates or on interim supply. In this time we have completed consideration of the estimates of some ten departments of government and nine other departments are now available to the house for final disposition following a detailed study by standing committees.

I must add further thanks to hon. members for their diligence in committee work. Twenty seven committees were established during the session and to date they have held a total of 349 meetings. Members have never before had or taken such an opportunity to examine the detailed operation of government departments. In a final sentence, on behalf of the government and the house leader as well as his parliamentary secretaries I reaffirm our thanks and respectfully suggest that these statistics reflect most favourably on the efficiency of our parliamentary machinery.

Hon. Michael Starr (Ontario): Mr. Speaker, from this side of the house I want to thank the government for their help and co-operation in dealing with the business of the house. At this time may I say that if the government were organized a little better these functions could have been performed with greater efficiency. I hope that during this period of recess the government will concentrate on seeing that they have a functional team and are organized to make our task easier. Then we will not have to play as difficult a part in organizing the business of the house. I want to say too that this has been a good, productive part of the session. I hope that the image of parliament will in future be enhanced again. I think it is the duty of every member to see that the image of parliament in the eyes of Canadians is brought to a point where Canadians can be proud of this institution.

May I say to you, Mr. Speaker, that you have had your baptism of fire and you have come through it well. In my opinion you have had some difficult situations to handle and you have done an admirable job. We wish you a good rest and hope that you will come back refreshed and will be a little more lenient during the question period.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the statistics which have been read to the house by the acting house leader demonstrate that even a fainthearted government can accomplish great things if it has an alert and diligent opposition. Unfortunately the government, while it is guided by the opposition in some respects, becomes very stubborn on other occasions.

• (11:10 p.m.)

We in this party regret, that we are leaving here without having dealt with either the old age pension legislation or with medicare. However, we hope that when parliament reassembles the government will have a program with respect to both these matters and will be prepared to proceed as expeditiously as possible. We appreciate the fine spirit of co-operation which has existed between the government and the members of this party through our respective house leaders.

I should like to express on behalf of this party our congratulations to you, sir, on having had your initial experience as Speaker of the house. When the house began we expected great things from you and we have not been disappointed. You have far exceeded our expectations.

Some hon. Members: Hear, hear.

Mr. Douglas: We are convinced that you are well on the way to establishing a record as one of the best Speakers we have had in living memory.

We hope that the government will give some thought during the recess to working out what we suggested about a year ago, namely, the establishment of a definite timetable for parliament with periodic recesses of the house so that the committees can sit continuously. I think that the practice of having many committees sit simultaneously with the house is not working out well. Some committees cannot sit because they cannot get a quorum. Members have to hurry back and forth and are unable to give proper attention either to the work of the house or of the committees.

We hope that the government will give some thought to letting the house adjourn

periodically for a couple of weeks when the committees would sit, or to having the committees sit for two weeks when the house is not sitting. We think that this is an area which could be examined with a good deal of profit. This has been done in Great Britain and has been found to expedite the work of parliament. We hope that the government will give consideration to looking into a similar type of reorganization of our parliamentary work in this country.

Mr. Speaker: Do hon. members agree that we will dispense with the adjournment debate tonight or do hon. members wish to proceed with the debate?

Mr. Pennell: Mr. Speaker, it is my understanding that it is the wish of the house that we suspend business until the call of the Chair later this evening.

Some hon. Members: Agreed.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, July 14, 1966

Sir:

I have the honour to inform you that the Honourable Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 14th July, at 11.30 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General.

Mr. Speaker: The sittings of the house will now be suspended till the call of the Chair which will be indicated by the ringing of the bell.

At 11.16 p.m. the sitting was suspended.

SITTING RESUMED

The house resumed at 12.10 a.m.

BUSINESS OF THE HOUSE

SUMMER ADJOURNMENT

Mr. Speaker: Order. I have just received a request from the Solicitor General (Mr. Pennell) to revert to motions.

Hon. L. T. Pennell (Solicitor General) moved:

That, when this house adjourns at the end of the sitting of the day on which this motion of

[Mr. Douglas.]

adopted, it stands adjourned until Wednesday, October 5, 1966, at 2.30 o'clock p.m. provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with Her Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

In the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

Motion agreed to.

Mr. Choquette: Mr. Speaker, with unanimous consent I should like to revert to motions.

Mr. Speaker: I see that there is not unanimous consent.

[*Translation*]

Mr. Choquette: I rise on a point of order, Mr. Speaker. We are on the threshold of adjournment. The farmers in Canada, as those in the province of Quebec, would have liked us to adopt the bill providing assistance to livestock feeders in Eastern Canada and British Columbia. I ask the opposition to kindly agree unanimously to adopt this bill right away.

[*English*]

Mr. Speaker: I must inform the hon. member that there is no point of order. There may be a grievance against the government, but there is no point of order.

[*Translation*]

Mr. Choquette: It seems to me the members of the opposition are refusing to pass the bill providing assistance to the farmers.

[*English*]

Mr. Howard: Mr. Speaker, if you are going to permit grievances against the government we will be here until September.

Some hon. Members: Oh, oh.

• (12:20 p.m.)

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker, with the house went up to the Senate chamber.

And being returned:

• (12:30 p.m.)

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act to authorize the making of contributions by Canada toward the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

An Act to amend the Canadian Corporation for the 1967 World Exhibition Act.

An Act to amend the Income Tax Act.

An Act to establish a corporation for the administration of the National Arts Centre.

An Act to incorporate Bank of Western Canada.

Royal Assent

An Act respecting certain conditions of employment of dock workers at the Ports of Montreal, Trois-Rivières and Quebec.

Mr. Speaker: Before announcing the adjournment of the house may I be allowed to thank hon. members for the all too generous comments they expressed with regard to me a few moments ago. I should like to assure hon. members that I feel very sincerely, from the bottom of my heart, that anything I have been able to accomplish was possible because of the excellent co-operation I have received from members on both sides of the house.

Pursuant to special order, the house adjourned at 12.35 a.m. until Wednesday, October 5, 1966, at 2.30 p.m.

END OF VOLUME VII